# NTERNATIONAL AND NTERGOVERNMENTAL RELATIONS

A GOVERNMENT OF ALBERTA MINISTRY

# 30TH ANNUAL REPORT

FOR THE YEAR APRIL 1, 2002 – MARCH 31, 2003

"A STRONG ALBERTA, ACTIVE IN AN OPEN WORLD AND IN A PROSPEROUS, UNITED CANADA"

Alberta
GOVERNMENT OF ALBERTA

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# PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*.

The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The Annual Report of the Government of Alberta, released June 25, 2003, contains the Minister of Finance accountability statement, the consolidated financial statements of the provincial government, and a comparison of the actual performance results to desired results set out in the government's business plan, including the Measuring Up Report.

**The Ministry of International and Intergovernmental Relations Annual Report contains the accountability statement from the minister, the audited financial statements of the ministry, and a comparison of the actual performance results to desired results set out in the ministry business plan.**

**This ministry annual report also includes:**

- **other financial information as is required by the *Financial Administration Act* and *Government Accountability Act* as part of the financial statements, to the extent that the ministry has anything to report.**

**The Ministry of International and Intergovernmental Relations is a single entity and does not have regulated funds, provincial agencies, or government controlled corporations, as part of its operations.**

# MINISTERIAL ACCOUNTABILITY STATEMENT

**The Ministry of International and Intergovernmental Relations Annual Report** for the year ended March 31, 2003 was prepared under my direction, in accordance with the *Government Accountability Act* and the government's accounting policies.

All of the government's policy decisions as of September 5, 2003 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Halvar C. Jonson

**Halvar C. Jonson**
**Minister of International and Intergovernmental Relations**

## MESSAGE FROM MINISTER JOHNSTON

I am pleased to present the annual report for Alberta International and Intergovernmental Relations (IIR) for the fiscal year ended March 31, 2003.

It has been a pleasure to guide this ministry during the year of its 30th Anniversary.

IIR plays a vital role setting the nature of relations that our province has with the federal government, other provincial governments, and other nations.

It is an entity unique among provincial government ministries since its mission is not related to providing a specific array of programs to Albertans. Rather, it is charged with the task of supporting its colleague ministries and helping set the stage for them to achieve their goals and objectives. Whether it be ensuring our province remains an influential part of Canada, taking steps to explore and realize benefits from closer ties with foreign lands, or continuing to reduce barriers to trade so that our residents have enhanced access to domestic and foreign markets, our ministry has a tradition of excellence, which we marked during our anniversary this past year.

2002-2003 was full of important decisions for our province and country, as debate was sparked over our nation's future place in the world community, including decisions over what role to play in the war against terrorism and whether to ratify an international protocol on climate change.

Among the most significant challenges for our ministry in the last year involved ensuring the priorities of the province were recognized and respected by the federal government.

This was evident in the weeks and months following a surprise announcement that the federal government intended to move ahead with ratifying the Kyoto Protocol. Alberta was vocal in its opposition to ratifying the protocol and undertook an initiative to call for an alternate solution to climate change that was "made in Canada."

Although the federal government ratified the protocol at the end of 2002, Alberta was successful securing assurances from the federal government that the impacts of implementing a future climate change plan will not adversely effect one region of the country more than another and will take into account the risk to large industry greenhouse gas emitters. It was a privilege to personally assist in these efforts by chairing Alberta's Ministerial Task Force on Kyoto and sitting on the External Advisory Committee on Kyoto.

Alberta also continued taking steps to ensure solid plans are in place, should there ever be a threat to the safety or security of our province. I was pleased to help guide these efforts in my ongoing role as chair of Alberta's Security Task Force.

In June 2002, foreign leaders visited our province for the G8 Summit. IIR was involved in planning and negotiating with the federal government in the months leading up to the Summit to make certain that security, economic, and environmental issues of interest to the province were addressed.

A further highlight of the year was an historic mission by Premier Klein in May 2002. The Premier reinforced existing and forged new relationships during a mission to Ukraine. This mission resulted in numerous benefits for both Alberta and Ukraine.

IIR was involved in the ongoing softwood lumber dispute with the United States. Alberta defended provincial forest management practices coming under scrutiny and worked with the federal government, other provinces, and industry groups on challenging countervailing and anti-dumping duties before trade dispute panels. Ministry officials simultaneously continued consulting with the forest industry while negotiating with the United States in an attempt to find a long-term and durable solution to the dispute.

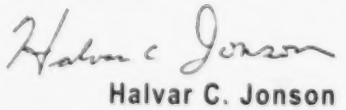
IIR staff also ensured domestic trade remained a priority through a successful Ministerial Meeting of the Committee for Internal Trade, co-chaired by Alberta.

These are but a few examples of the achievements of our ministry in the last year. Accomplishments are more comprehensively outlined throughout this report.

It would not have been possible for our ministry to accomplish its goals without the support and expertise of my colleagues in government and the staff of their ministries.

It pleases me to report that our ministry has successfully redoubled its efforts to cooperate and collaborate with its sister ministries to make progress on cross-government initiatives.

The coming year promises to be equally challenging for our ministry. IIR looks forward to advancing our province's position in negotiations which lead to achieving greater trade and investment liberalization, addressing issues related to improving federal-provincial relations, and exploring ways to enhance market opportunities for industry and businesses by building stronger ties with our neighbours in the international community, including with our largest trading partner and friend, the United States.



**Halvar C. Jonson**
**Minister of International and Intergovernmental Relations**

**The Ministry of International and Intergovernmental Relations** is a single entity and does not have regulated funds, provincial agencies, or government entities as part of its operations.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations, and policies.

Ministry business plans, annual reports, performance results, and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports, and other performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the ministry rests with the Minister. I oversee preparation of the ministry annual report under direction of the Minister, including financial statements and performance results.

The financial statements and the performance results of necessity include amounts that are based on estimates and judgements. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- Provide reasonable assurance that transactions are properly authorized, executed in accordance with the prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- Provide information to manage and report on performance;
- Safeguard the assets and property of the provincial government under ministry administration;
- Provide Executive Council, Treasury Board, the Minister of Finance, and the Minister of International and Intergovernmental Relations with any information needed to fulfill their responsibilities, and
- Facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive members of the individual sections within the ministry.

**Gerry Bourdeau**
**Deputy Minister of International and Intergovernmental Relations**
September 5, 2003

# INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS
# 2002 - 2003 ANNUAL REPORT

## OVERVIEW

- MINISTRY VISION AND MISSION
- MINISTRY CORPORATE STRUCTURE
- OPERATIONAL OVERVIEW
- SUMMARY OF KEY ACTIVITIES

## VISION AND MISSION STATEMENTS

### Our Vision ...

A strong Alberta, active in an open world and in a prosperous, united Canada.

### Our Mission ...

To lead development of government wide strategies and policies for Alberta's relations with international governments and organizations, and with federal, provincial, and territorial governments in Canada.

### Our Core Business ...

Sound government-to-government relationships are key to securing Alberta's future well-being and to achieve the ministry vision of providing leadership in the management of Alberta's international and intergovernmental relationships.

To fulfill this leadership role, it is essential to coordinate Alberta's strategies. Development and implementation of strategies requires close cooperation with other Alberta ministries as well as with public and private organizations.

Key services provided by the ministry are:

- Advancing Alberta's interests through intergovernmental negotiations and discussions.
- Coordinating Alberta's strategies relating to international and intergovernmental relations.
- Providing strategic advice and policy analysis to Alberta ministries and other clients.
- Obtaining, disseminating, and analyzing information for Alberta ministries and other clients.

## CORPORATE STRUCTURE

### MINISTER JONSON'S CONTACT INFORMATION:

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1-780-427-2585

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### MINISTRY CONTACT INFORMATION:

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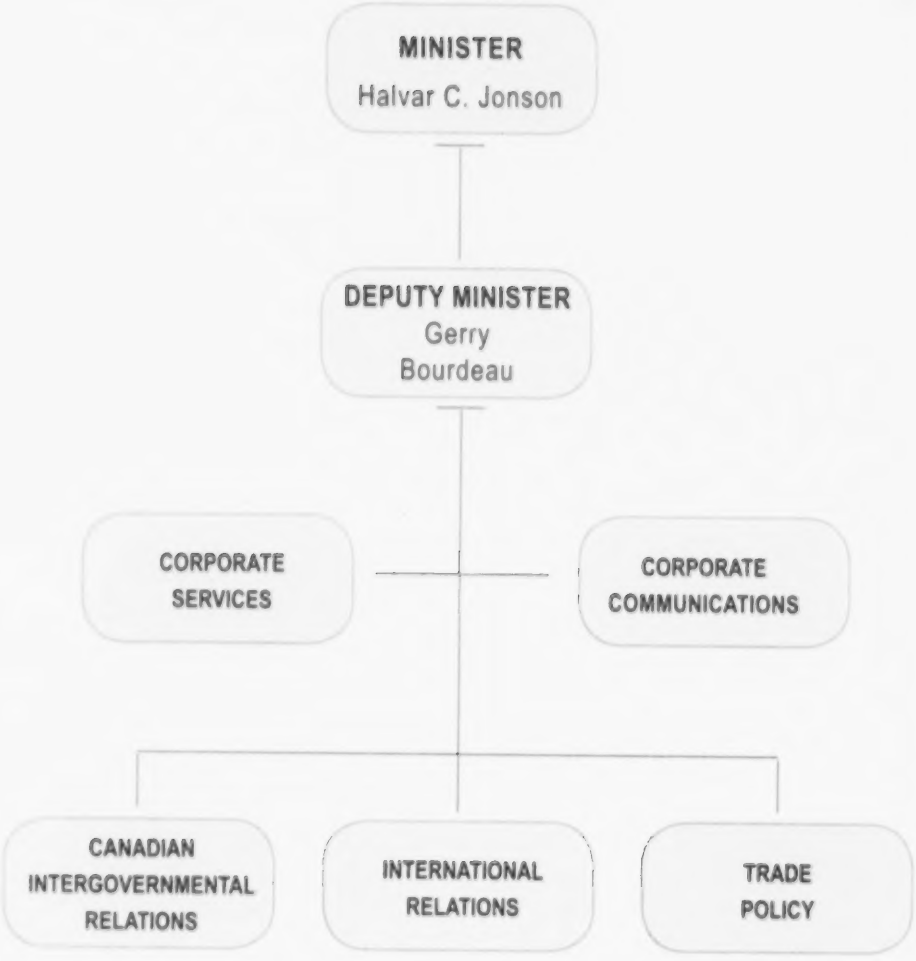



### Our Goals ...

The ministry contributes to the three core businesses of the Government of Alberta: People, Prosperity, and Preservation. The ministry's key goals are to promote the interests of and secure benefits for Alberta:

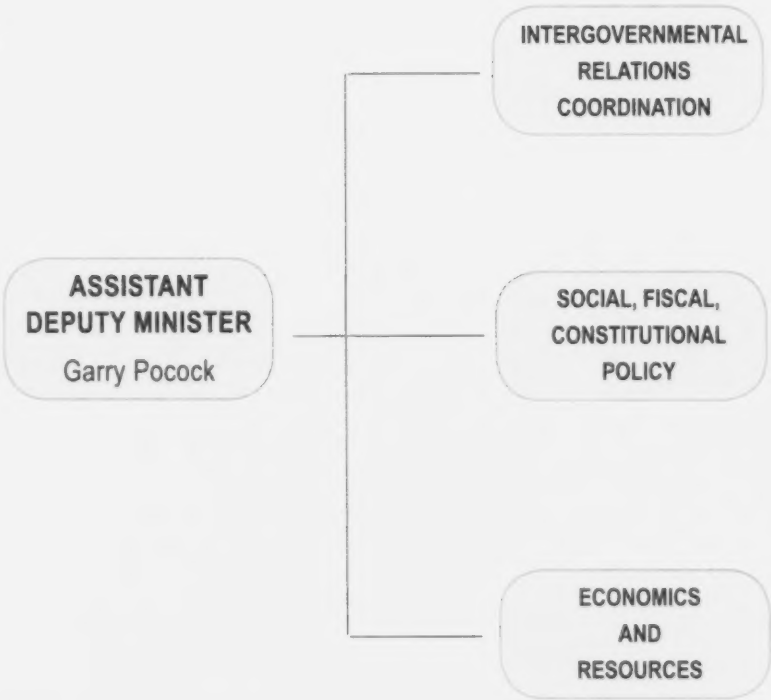
- As an equal partner in a revitalized, united Canada.
- From strengthened international relations.
- From greater trade and investment liberalization, domestically and internationally.

## OPERATIONAL OVERVIEW

### The Canadian Intergovernmental Relations Section ...

Works with other Alberta ministries and the federal government to ensure that Alberta's interests are represented in the Canadian Federation.

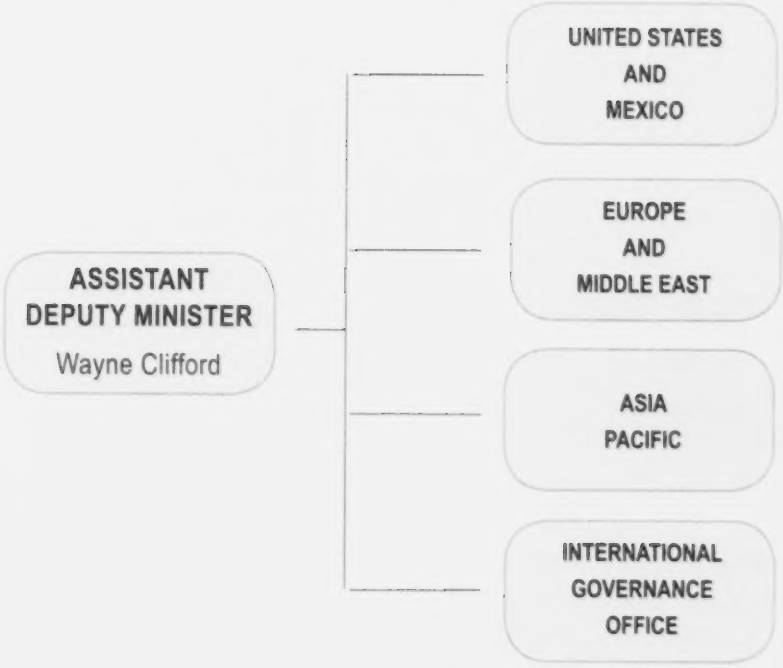
This section of the ministry is composed of three teams working under the direction of an assistant deputy minister.



### The International Relations Section ...

Works with other Alberta government ministries to advance Alberta's strategic international interests and develop and advance Alberta's international relationships.

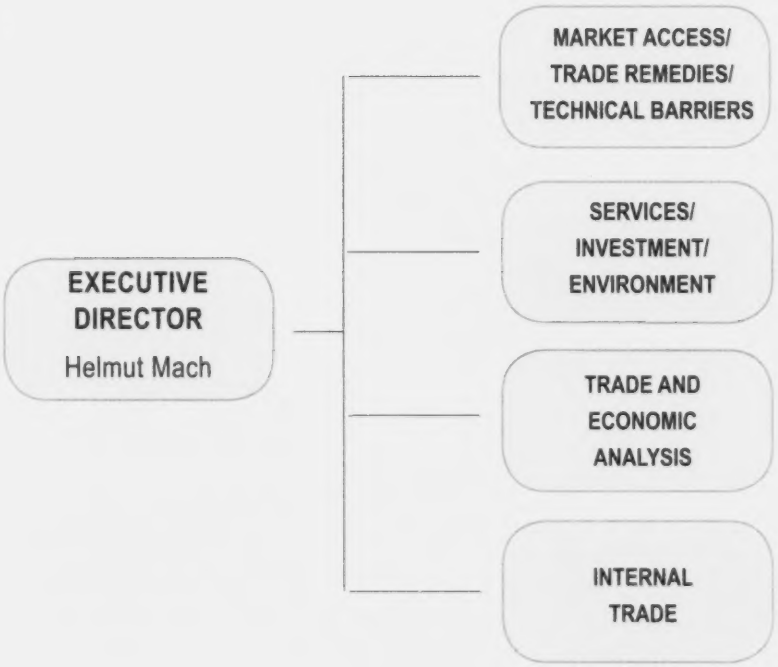
This section of the ministry is composed of four teams working under the direction of an assistant deputy minister.



### The Trade Policy Section ...

Deals with domestic and international trade and investment agreements, negotiations, and disputes affecting Albertans. It pursues policies that meet Alberta's objectives of reducing trade and investment barriers.

This section of the ministry is composed of four teams working under the direction of an executive director.



### The Corporate Services Section ...

Provides a variety of services to assist other sections of the ministry in achieving their goals.

The section coordinates provision of:

- Financial services
- Human resource services
- Information technology services
- Administrative services

through shared services arrangements with Alberta Learning and the Alberta Corporate Service Centre.

Financial, information technology, and administrative services of this section also support the ministry of Alberta Aboriginal Affairs and Northern Development.

An additional component of this section is the Translation Bureau, which is responsible for translating government documents, upon request by ministries, between English and other languages, with the assistance of freelance translators recognized by the Association of Translators and Interpreters of Alberta or other provincial or professional bodies within the industry. The Bureau also coordinates provision of interpretation services for visiting foreign delegations to Alberta.

This section of the ministry works under the direction of a director, Lori Sajjad.

### The Corporate Communications Section ...

Provides a wide range of services to the ministry including writing support, strategic communications planning and issues management, media monitoring and media relations, advertising and printing services, responding to public inquiries, and coordination of the internet home page at www.iir.gov.ab.ca

Staff in this section are deployed to work in the ministry by the Government of Alberta Public Affairs Bureau.

This section of the ministry works under the direction of a director, Kathryn Wiegers.

**Promoting the interests of and securing benefits for Alberta as an equal partner in a revitalized, united Canada ...**

- ***Climate Change and the Kyoto Protocol***

  In September 2002, the federal government decided to proceed with ratification of this protocol without the agreement of provincial governments, despite the fact that plans to implement the protocol are likely to have an effect and impact on areas of provincial jurisdiction.

  The Alberta government was firmly against ratification of Kyoto. Minister Jonson chaired a Ministerial Task Force on Kyoto. IIR coordinated Alberta's strategic response to Ottawa's announcement, along with the ministries of Alberta Environment, Energy, and Justice and Attorney General, as well as with the Government of Alberta Public Affairs Bureau.

  The resulting public awareness campaign launched by Alberta, and efforts by the province to develop intergovernmental strategies and explore legal and constitutional options to prevent ratification, contributed to assurances from the federal government to limit the potential costs to large industry emitters in meeting Kyoto targets.

- ***Security***

  The ministry continued its ongoing efforts to ensure the security of the province, its infrastructure, its industry, and its citizens following the tragic events of September 11, 2001 in the United States.

  IIR provided key support throughout the year to the provincial Ministerial Task Force on Security, Chaired by Minister Jonson. Work on this file progressed through strong partnerships with Alberta Solicitor General and Alberta Municipal Affairs.

  The province finalized its counter terrorism crisis management plan, which was developed under the direction of the task force and approved by Cabinet in March 2003.

  The plan provides an effective and coordinated provincial response to actual or perceived threats of terrorism in Alberta.

  The federal government and other governments in the world have held the plan up as a prime example of a solid response plan. The plan has been studied by other jurisdictions as a model from which to draw for their own plans.

**Promoting the interests of and securing benefits for Alberta from strengthened international relations**

- ***G8 Summit***

  IIR did extensive work related to this very successful summit, which took place in Kananaskis in June 2002.

  The ministry ensured that security, economic, and environmental interests of the province and its residents remained at the forefront of planning efforts spearheaded by the Government of Canada.

  Alberta's goals in this regard were successfully achieved by IIR, in cooperation with Alberta Solicitor General and Alberta Justice and Attorney General.

  Alberta ministries coordinated and collaborated to ensure Alberta government officials were part of planning security initiatives, and that provincial officials were part of emergency response plans.

  The ministries also secured a commitment from the federal government to pick up security and health costs related to hosting the summit.

- ***Premier Klein's Mission to Ukraine***

  Premier Klein undertook a mission to Ukraine in May 2002 - the first ever visit of an Alberta Premier to Ukraine.

  He was joined on the mission by representatives from Alberta businesses and organizations with an interest in working in Ukraine. The mission was geared to strengthening existing ties and to exploring new areas of cooperation between Alberta and Ukraine.

  Highlights of the mission included:

  - Meetings with the Ukrainian President, Prime Minister, and Vice-Prime Minister to advance Alberta's interests;
  - Establishment of a five-year special recognition program between Alberta and Ukraine;
  - The signing of a memorandum of understanding with the International Finance Corporation for Alberta to assist Ukraine on agricultural reforms.

**Promoting the interests of and securing benefits for Alberta from greater trade and investment liberalization both domestically and internationally**

- ***Trade Disputes***

  IIR provided sustained leadership and direction in attempts to resolve a number of ongoing trade disputes.

  **Canada-United States Softwood Lumber Dispute:**
  In May 2002, the United States imposed combined duties on Canadian softwood lumber totalling approximately 27%.

  IIR worked closely with Alberta Sustainable Resource Development in defending Alberta's forest programs and policies.

  Alberta cooperated with the federal and other provincial governments in developing a coordinated challenge to actions by the United States through existing dispute resolution mechanisms in the World Trade Organization and North American Free Trade Agreement. Alberta continued to consult with the forestry industry during this process.

  **Canada-United States Wheat Dispute:**
  The United States made an affirmative preliminary subsidy determination on exports of durum and hard red spring wheat from Canada in March 2003. IIR worked with Agriculture, Food, and Rural Development and legal counsel to defend against subsidy allegations made against provincial programs.

  **Canada-United States-New Zealand Dairy Export Panel:**
  Canada engaged in consultations with the United States and New Zealand in order to comply with its subsidy reduction commitments on the export of products made from commercial export milk, following a ruling by the World Trade Organization Appellate Body. Alberta and other provinces made regulatory changes to dismantle their commercial export milk regimes, thereby eliminating any possibility of trade retaliation.

- ***WTO and Sectoral / Regional Trade Negotiations***

  Alberta's interests in world, sectoral, and regional trade negotiations were advanced to the federal government including submissions related to negotiations in the WTO Doha Round, Free Trade Agreement of the Americas, and Canada-European Union wine negotiations.

- ***Agreement on Internal Trade***

  Alberta played a pivotal role ensuring there was a ministerial Committee on Internal Trade Meeting in 2002, co-chaired by Alberta.

  The province also completed its term as co-chair of this committee.

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

2002 - 2003 ANNUAL REPORT

# RESULTS ANALYSIS

- EXPENSE BY CORE BUSINESS
- DISCUSSION AND ANALYSIS OF RESULTS
- REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING SPECIFIED AUDITING PROCEDURES TO KEY PERFORMANCE MEASURES
- PERFORMANCE MEASURES AND METHODOLOGY

## MINISTRY EXPENSES BY CORE BUSINESS

The ministry's financial performance was within budget targets and no significant variances arose in comparison to budget for the fiscal year ended March 31, 2003.

International and Intergovernmental Relations has one core business - intergovernmental relations.

Key services provided by the ministry are:

- Advancing Alberta's interests through intergovernmental negotiations and discussions;
- Coordinating Alberta's strategies relating to international and intergovernmental relations;
- Providing strategic advice and policy analysis to Alberta ministries and other clients, and
- Obtaining, disseminating, and analyzing information for Alberta ministries and other clients.

### MINISTRY EXPENSE BY CORE BUSINESS

Year April 1, 2002 to March 31, 2003

(in thousands of dollars)

| Core Business | 2002-2003 Budget | 2002-2003 Actual | 2001-2002 Actual |
|---|---|---|---|
| Intergovernmental Relations | 6,084 | 6,060 | 5,938 |
| **TOTAL MINISTRY EXPENSE** | **6,084** | **6,060** | **5,938** |

## GOAL 1:

**Promoting the interests of and securing benefits for Alberta as an equal partner in a revitalized, united Canada**

### KEY RESULT 1.1:

Effective participation by Alberta in the Canadian federation

### Premiers' Conferences ...

Alberta participated in the:

- 2002 Western Premiers' Conference in Dawson City, Yukon, June 4-6, and
- 2002 Annual Premiers' Conference in Halifax, Nova Scotia, July 31-August 2.

Alberta's main priorities were:

- The need for provincial participation and the examination of all options in the consideration of whether to ratify the Kyoto Protocol;
- The need for adequate, predictable, and stable funding for health care;
- Discussion of major trade issues to identify future action.

Alberta's objectives were achieved as Premiers agreed to:

- Call for a First Ministers' Meeting before the federal government made a decision about whether to ratify the Kyoto Protocol;
- Call for a new funding partnership for health care with the federal government, including adequate and sustainable funding;
- Identify actions that the federal and provincial governments could undertake to address outstanding trade issues with the United States, as well as other trading partners.

IIR worked closely with other ministries in preparing for these conferences and providing briefing information for Premier Klein.

The Western Premiers' Conference was in Dawson City, Yukon.

The Annual Premiers' Conference was held in Halifax, Nova Scotia.

### January 2003 Premiers' Meeting on Health

In preparation for the February 2003 First Ministers' Meeting, Premiers met to develop a consensus position on health and drafted a First Ministers' Accord on health care, which they planned to take to their meeting with the Prime Minister.

The draft accord noted that First Ministers are committed to the five principles of medicare and called for sustainable funding for health care. It identified priority areas for new investments and committed to increasing accountability.

## February 2003 First Ministers' Meeting on Health

Canada's First Ministers met in Toronto, Ontario in February 2003 to seek agreement on a new health care deal that would see substantial new federal money directed toward provincial health care programs.

The premiers highlighted the reality that federal funding has fallen to 14% of total government expenditure in support of health care, despite the fact that health care costs are growing dramatically and health care is the number one public policy priority for Canadians.

Alberta's primary objectives for the meeting were achieved. Ten billion dollars in additional federal health funding will be provided to provinces over three years with the possibility of an additional $2 billion depending on the existence of a federal surplus in 2003-2004. Also, Alberta retains the flexibility to pursue health reform.

Premiers, however, made it clear that they were concerned that money offered by the federal government was not sufficient to allow governments to both preserve the existing core of their health care systems and meet all reform objectives outlined in the First Ministers' Arrangement.

Premiers have effectively placed the federal government on notice that they will renew this discussion in the run-up to the 2004 Federal Budget.

The First Ministers' meeting required prior extensive intergovernmental activity, including ministerial and official meetings involving the ministries of Alberta Health and Wellness, Finance, and International and Intergovernmental Relations.

Ministry staff helped ensure the success of these meetings by developing the strategic approach to the meetings and negotiating agendas, as well as working on providing information to the public with the Premiers' Council on Canadian Health Awareness.

Work also involved supporting the Premier and Ministers at the meetings and developing appropriate briefings with Health and Wellness and Finance.

WEBSITE LINKS

**Communiques from the First Ministe and Premiers' Meetings are available linking to the world wide web:**

2003 First Ministers' Accord on Health Care Renewal (Febuary 2003) *www.scics.gc.ca/pdf/800039004_e.p*

Premiers' Communique and Draft First Ministers' Accord on Sustaining and Renewing Health Care For Canadians: (January 2003): *www.scics.gc.ca/cinfo03/850089004.e.ht*

## Intergovernmental Agreements ...

IIR assisted other provincial government ministries in negotiating and finalizing a broad scope of intergovernmental agreements over the past year.

IIR also undertook a review of the processes for handling intergovernmental agreements in conjunction with the Auditor General. Based on the results of this review, IIR has established a work plan to update the management of intergovernmental agreements. This work plan will be actualized in the coming year.

## KEY RESULT 1.2:

A Canadian federal system that better serves Albertans' needs

### Social Union Framework Agreement (SUFA) ...

IIR participated in a joint review of this agreement with the federal government and other provincial and territorial governments. The review included three regional roundtable sessions (Saskatoon, Ottawa, and Moncton).

It also included consultations with five national aboriginal organizations, a dedicated website, and the encouragement of private correspondence to solicit the views of stakeholders, experts, and the general public. A completed government review of the agreement is expected in 2003.

### Infrastructure ...

Alberta International and Intergovernmental Relations and Alberta Transportation worked closely throughout the year to advocate strongly for enhanced federal funding of infrastructure and a more collaborative working relationship with the federal government.

Alberta, together with all provinces and territories, has taken a strong position in presenting its views to the federal government on the need for a national transportation infrastructure plan in order to maintain the nation's competitiveness and sustain growth.

IIR also assisted Alberta Transportation to create agreements among the four western provinces to establish a Transportation Minister's Council and harmonize oversized/overweight loads and transport of hay bales.

### Securities ...

IIR worked with Alberta Finance and Alberta Revenue to respond to the federal Minister of Finance appointment of a Special Representative and subsequently a "Wise Persons Committee" to recommend a process to determine the best securities regulatory system in Canada.

Securities are provincially regulated. In response to the federal initiative, Alberta, British Columbia, Quebec and Ontario established a provincial-led process to create a more efficient and modern regulatory system.

### Privacy in the Public Sector ...

IIR participated in a government-wide review of options regarding the federal *Personal Information and Protection Electronic Documents Act*.

As a result, provincial legislation to protect privacy in the private sector is expected to be introduced in the Alberta Legislative Assembly.

### Marketing Choice for Alberta Wheat and Barley Producers ...

IIR continued to promote marketing choice for producers in the province by working with Alberta Justice and Agriculture, Food, and Rural Development.

Flowing from the passage of the *Alberta Wheat and Barley Test Marketing Act*, Alberta's Minister of Agriculture Food and Rural Development will be seeking discussions with federal ministers to establish Alberta as a test open market for wheat and barley produced in Alberta.

### Municipalities ...

The Prime Minister's Caucus Task Force on Urban Issues released its final report in November 2002.

The report presented recommendations for a framework for future federal relations with municipalities.

IIR staff provided advice to Alberta Municipal Affairs pertaining to their interactions with the task force, jurisdictional issues considered by the task force, and Alberta's approach to the final report of the task force.

### Agricultural Policy Framework ...

Canada's Ministers of Agriculture held their annual meeting in June 2002. They signed the Federal-Provincial-Territorial Framework Agreement on Agricultural and Agri-Food Policy for the 21st Century.

All jurisdictions except Quebec and Prince Edward Island signed the agreement, which forms the basis for new safety-net programs across the country.

At a second meeting in January 2003, ministers agreed on a transition process from the current farm income safety nets to implementation of a new, cost-shared, federal-provincial-territorial risk management program and other initiatives for 2004 and beyond. IIR worked with Alberta Agriculture Food and Rural Development in crafting the province's position for negotiations on the elements of these programs and on an implementation agreement for the framework, to ensure it will sustain the agricultural and food industry in the long-term.

### Relations with the Department of Fisheries and Oceans ...

IIR continued to work with Sustainable Resource Development to improve relations with Fisheries and Oceans Canada.

Work centred on issues surrounding enforcement of the *Fisheries Act* and management and development of fish habitat across Alberta.

Both jurisdictions have improved the way in which information is shared, minimizing duplication of effort and increasing cooperation in fisheries management to meet their respective objectives and legislative requirements.

### Climate Change ...

Work with Alberta Environment, Alberta Energy, Alberta Justice and Attorney General and the Government of Alberta's Public Affairs Bureau continued in order to respond to the unilateral federal announcement that Canada would ratify the Kyoto Protocol on climate change.

IIR also provided support for Alberta's Ministerial Task Force on Kyoto, helping develop intergovernmental strategies, legal/constitutional options, and information sharing with the public.

Following the Prime Minister's ratification announcement in September 2002, IIR and other provincial ministries worked with their counterpart ministries across the country to present the uniform position that the federal government should not proceed with ratification until the full costs and benefits of implementation had been completely assessed, and competitiveness issues had been addressed.

Agreement was reached among provinces on 12 principles to guide the implementation of climate change action.

Although the federal government proceeded with ratification, Alberta achieved formal assurances from the federal government to limit the price and volume risk exposure to large industry emitters in Canada.

ALBERTA'S CLIMATE CHANGE
*Taking* ACTION

**QUICK FACT**

Alberta's approach to address the issue of climate change and reduce greenhouse gas emissions can be found at the following website:

www.gov.ab.ca/env/climate/actionplan/docs/highlights.pdf

## KEY RESULT 1.3:

Effective leadership by Alberta
that supports a strong, united, and secure Canada

### Security ...

IIR provided key support to the Alberta Ministerial Task Force on Security.

Alberta's Counter Terrorism Crisis Management Plan was finalized under the direction of the Task Force and was later approved by Cabinet.

The plan provides for an effective and coordinated provincial response to actual or perceived threats of terrorism in the province.

The plan has been identified by other domestic and international governments as being among the most comprehensive in existence.

**QUICK FACT**

SECURIT

In Alber

The Honourable Halvar Jonson
the Ministerial Task Force on Se

### Alberta's Place in Confederation ...

Fuelled by a series of high profile issues on which many Albertans' views differed sharply from the statements and actions of the federal government, such as the Kyoto Protocol, the War in Iraq, and the Gun Registry, there was much discussion among residents in the province and in the media of Alberta's place in Confederation.

IIR supported Premier Klein in responding to the significant attention that this issue generated.

One of the reforms to Confederation that Alberta has long pursued is reform of the Senate.

IIR worked closely with Alberta Justice and Attorney General in the development of a resolution supporting Senate reform that was introduced and passed by the Alberta Legislative Assembly on November 20, 2002.

## GOAL 2:

**Promoting the interests of and securing benefits for Alberta from strengthened international relations**

### KEY RESULT 2.1:

Intergovernmental relationships which facilitate two-way flow of goods, services, people, and investment between Alberta and the United States

### United States Initiatives ...

The United States remained the largest trading and investment partner for Alberta in 2002-2003.

Relations with decision makers and key states in the United States were strengthened through participation in a number of state-level organizations and bilateral cooperation agreements.

***- Premier Klein's Mission to Alaska***

The ministry coordinated a successful mission by Premier Klein to Anchorage, Alaska in June 2002.

The mission culminated in the signing of a cooperation agreement by Premier Klein and Alaska's Governor Knowles. This agreement established a bilateral council to advance issues of mutual interest. The agreement also recognizes the common interest between the province and the state in bringing arctic natural gas through Alberta's natural gas pipeline hub.

***- Security of the North American Energy Supply***

Alberta's North American energy priorities and the province's ability to ensure a secure energy supply continued to be advanced with key energy decision makers throughout the year.

To reassure our southern neighbour of Alberta's commitment to security, the ministry coordinated the promotion of the province's continent-leading critical infrastructure protection initiatives to United States Homeland Security officials, emergency management, and embassy officials at numerous meetings throughout the year.

***- Premier Klein's Mission to New York City***

International and Intergovernmental Relations and Alberta Economic Development worked together to plan the investment mission to New York City by Premier Klein in December 2002.

**QUICK FACT**

Seventeen of the top twenty export markets for Alberta are U.S. states.

The mission took place at the same time that the federal government decided to move ahead with ratification of the Kyoto Protocol. As such, this mission was crucial in reassuring the United States investment community that Alberta would not allow development of its energy sector to be jeopardized.

***- Canada-United States Border Issues***

The ministry continued to work with other provinces to press the federal government to mitigate potential negative fallout on border efficiency and trade resulting from increased border security measures initiated by the United States.

Alberta promoted reinvigorated cooperation on bilateral relations with our largest economic partner.

***- Pacific Northwest Economic Region***

The Pacific Northwest Economic Region (PNWER) meeting was held in Portland, Oregon in July 2002.

The ministry provided strategic coordination for provincial representatives to promote public and private sector cooperation in agriculture, transportation, tourism and energy.

The meeting provided an opportunity for Alberta to showcase its economic and energy strengths and promote its transboundary priorities to leaders in the United States.

***- Montana-Alberta Bilateral Council***

The Montana-Alberta Bilateral Council (MABAC) Annual Meeting in June 2002 exemplified the close, productive relationship Alberta has with Montana.

The ministry coordinated Alberta's participation in this forum, which is widely viewed as a model for province-state cooperation.

A key outcome was an agreement to work together to ensure minimum negative trade impact from country-of-origin meat labeling requirements expected to be put in place by the United States.

***- Western Governors' Association***

Premier Klein and Wyoming Governor Geringer led energy discussions at the Western Governors' Association (WGA) Annual Meeting with Western Premiers in Dawson City, Yukon.

In addition to coordinating Alberta's participation in this conference, the ministry ensured that Alberta provided leadership on energy issues and that the province's priority continental energy messages were strongly represented.

**QUICK FACT**

PNWER members are:

From Canada:
- Alberta
- Yukon
- British Columbia

From the United States:
- Alaska
- Washingt
- Oregon
- Idaho
- Montana

**QUICK FACT**

The Western Governors' Associ serves the governors of twenty U.S. States and Pacific territories

This meeting laid the foundation for ongoing cooperation on energy issues, including energy transmission and clean coal/coal bed methane development.

## KEY RESULT 2.2:

A strategic approach to Alberta's international relations that effectively promotes interests and priorities of the province to foreign, governmental, decision makers

### 2002 G8 Summit ...

The ministry worked with other departments to ensure that Alberta's interests were protected during the G8 Summit in Kananaskis in June 2002.

With assistance from Alberta Solicitor General and Alberta Justice and Attorney General, the ministry ensured that security, economic, and environmental interests of Albertans remained in the forefront of federal government summit planning efforts.

Because the summit was held in an area of provincial jurisdiction, International and Intergovernmental Relations worked with a dozen other Alberta ministries to ensure that provincial government officials were part of summit security planning initiatives and emergency response plans.

**QUICK FACT**

Many provincial government ministries cooperated to ensure that Alberta was part of security planning initiatives and emergency response plans prior to the G8 Summit in Kananaskis.

### Cross-Government Coordination ...

The ministry conducted strategic reviews and assessments on all proposed international travel by government ministers to ensure international travel proceeded in a coordinated and strategic manner.

The ministry reviewed proposed travel of all officials to minimize the risk of exposure to Foot and Mouth Disease.

IIR also assessed the risk of international travel by Alberta government officials to regions impacted by the fight against terrorism and the War in Iraq.

The ministry issued advisories regarding international travel to high risk locations, provided updated travel advisories, and launched a public information website on security.

### International Missions and Visits ...

IIR developed strategically-focused programs for about 57 incoming delegations.

Visitors included:

- Premier of Mpumalanga, South Africa, Mr. Ndaweni J. Mahlangu;
- President of the German Bundestag, Mr. Wolfgang Thierse;
- President of the Regional Government of Azores, Portugal, Dr. Carlos Cesar;
- Governor of Yamal-Nenets, Russia, Mr. Yuri Neyelov;
- Deputy Premier of Western Australia, Mr. Eric Ripper;
- High Commissioner of United Kingdom,Sir Andrew Burns.

## KEY RESULT 2.3:

Active bilateral relations including twinnings that enhance Alberta's profile in key international markets

### Mexico Initiatives ...

The ministry contributed to the planning and execution of Premier Klein's Mission to Mexico in September 2002.

The Premier met with Mexican President Vicente Fox to discuss Alberta-Mexico relations and identify areas of future cooperation.

The Premier also outlined the province's system for managing and regulating provincial energy resources during a meeting scheduled with the Mexican Senate Energy Committee

During the mission, the Premier officially opened Alberta's trade office in Mexico City, co-located in the Canadian Embassy. The opening of this office signifies that Alberta-Mexico economic and diplomatic relations are being raised to a new level.

**QUICK FACT**

Mexico was our fourth la export market with exports valu $429 million in 2002.
Under the NAFTA, exports from A to Mexico have grown faster th any other country.

### Asia Pacific Initiatives ...

Alberta remained committed to building its relations with the Asia Pacific region, particularly Japan, China, and Korea.

These countries are the province's most important overseas trade and investment partners.

The ministry welcomed to the province representatives of the Association for South East Asian Nations (ASEAN) in May 2002.

Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam ambassadors and high commissioners visited the province to gain first hand knowledge on our economy and explore future areas of cooperation between the province and countries within ASEAN.

### Europe Initiatives ...

**QUICK FACT**

Alberta is home to the largest Ukranian-Canadian population in Western Canada.
Over 250,000 Albertans are of Ukrainian descent.

Ministry staff contributed to the planning, preparation, and follow-up of Premier Klein's May 2002 Mission to Ukraine. The mission raised the profile of Alberta-Ukraine relations to a new level, both in Alberta and in Ukraine.

The Premier met with key decision makers in the capital of Kyiv, including President Kuchma and Prime Minister Kinakh, outlining concerns and advancing interests of the Alberta business community.

A highlight of the mission was the announcement of an education exchange program.

The ministry supported the Alberta government's involvement with the Advisory Council on Alberta-Ukraine Relations (ACAUR), and coordinated with provincial ministries active in Ukraine (Community Development, Justice and Attorney General, Economic Development, and Agriculture, Food, and Rural Development).

## KEY RESULT 2.4:

Effective contribution by Alberta
to international development in the area of governance

### Alberta-Heilongjiang Twinning ...

**QUICK FACT**

Alberta and Heilongjiang have numerous similarities including:
- topography and climate
- agricultural production
- energy resources

Heilongjiang is China's principal oil-producing province.

Further to the 20th Anniversary of the Alberta-Heilongjiang Twinning, celebrated in September 2001, the ministry and the University of Alberta established a partnership with the Province of Heilongjiang, China.

The purpose of the partnership was to deliver western-style executive management training to senior officials from Heilongjiang. This training took place in Alberta from July to December 2002. Fifty-eight government and business executives from Heilongjiang participated in the program.

The 30 government executives in the program were placed in 16 Alberta ministries for up to four weeks to experience western public administration management techniques in action.

### International Governance Office ..

IIR's International Governance Office continued to coordinate and manage the provincial government's participation in international governance projects.

The office partnered with the private sector and with several ministries (Finance, Energy, Municipal Affairs, Health and Wellness, and Agriculture, Food, and Rural Development) on international development projects in Ukraine, South Africa, and China.

## GOAL 3:

**Promoting the interests of and securing benefits for Alberta from greater trade and investment liberalization, domestically and internationally**

### KEY RESULT 3.1:

Expanded trade liberalization and foreign market access for Albertans through international trade and investment agreements

### Canada-United States Softwood Lumber Dispute ...

International and Intergovernmental Relations and Sustainable Resource Development provided continuous direction and leadership in the ongoing Canada-United States softwood lumber dispute.

The United States placed countervailing and anti-dumping duties at a combined rate of more than 27% on imports of softwood lumber from Canada in May 2002.

Canada initiated several legal challenges in the World Trade Organization (WTO) and under the North American Free Trade Agreement (NAFTA), against the United States' duty determinations.

IIR worked closely with the federal and other provincial governments, Sustainable Resource Development, and Alberta's legal counsel to develop legal arguments to defend provincial government programs and to contribute to the development of legal arguments developed by the Government of Canada.

In September 2002, a WTO panel ruled that the United States Department of Commerce could not measure subsidies to lumber producers by comparing stumpage prices in Canadian provinces to those in U.S. states.

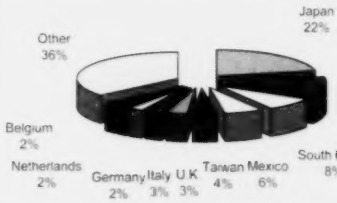
Discussions to resolve the softwood lumber dispute resumed in September 2002, with the U.S. proposal of "changed circumstances reviews" under U.S. countervailing duty law. The intent of the proposal is to eliminate the countervailing duty on softwood lumber for provinces making significant market oriented changes to their forest management systems. Alberta directly participated in these discusions.

The ground rules for these reviews will be contained in a policy bulletin published by the U.S. Department of Commerce.

Alberta and Canada provided input on the development of drafts of the policy bulletin. Alberta's objective was to ensure that the bulletin acknowledged the diversity of provincial forest management systems and that the review process was flexible enough to accommodate differing provincial approaches.

Alberta government officials remained in close contact with Alberta industry representatives throughout.

A key priority for the province is to ensure long-term tenure arrangements remain an effective vehicle for sustainable forest management.




**QUICK FACT**

The chart above shows Albe key export markets excludin United States (1988-2002).

## World Trade Organization Negotiations ...

**QUICK FACT**

WORLD TRADE ORGANIZATION

The World Trade Organization is the only global organization dealing with the rules of trade between nations.

The current round of WTO negotiations (the Doha Development Agenda) got underway in earnest during the fiscal year covered by this report.

Greater global trade liberalization through these negotiations holds the prospect of additional benefits and opportunities for Albertans.

IIR collaborated with other provincial departments to develop Alberta's positions on the negotiations and forwarded extensive proposals to the federal government in the areas of agriculture, services, market access, trade remedy laws (subsidy/countervail and anti-dumping rules), and the WTO dispute resolution mechanism.

Alberta's views on an initial offer in the services part of the global negotiations, which covers specific provincial services regulations, was provided in a ministerial letter forwarded in January 2003.
This concluded a yearlong process of identifying the legal aspects of any changes in provincial legislation affecting regulation of services.

The Minister indicated to the federal government that Alberta was not prepared to offer any additional commitments related to services at this time.

IIR also forwarded a detailed set of proposals for the reform of anti-dumping and subsidy/countervail rules to the federal government.

## Other Bilateral, Regional, and Multilateral Negotiations ...

IIR effectively promoted Alberta's trade policy interests and priorities in international trade negotiations, including following bilateral, regional, and multilateral initiatives:

- ***Free Trade Area of the Americas (FTAA):***
  In October 2002, Alberta submitted its position on the FTAA negotiations to the federal government in preparation for the FTAA Ministerial Meeting in Quito, Ecuador, in November 2002.
  IIR subsequently forwarded separate documents providing Alberta's market access interests in the negotiations and its views on performance requirements under the investment negotiations.
- ***Canada-Latin American Free Trade Agreements:***
  In January 2003, Alberta forwarded its position related to potential free trade agreement negotiations with the Andean Community (Venezuela, Colombia, Peru, Bolivia, and Ecuador) and the Dominican Republic.
  IIR outlined Alberta's market access interests to the federal government.

**QUICK FACT**

The chart above shows the value of merchandise exported from Western Canada from 1988-2002 ($ billions).

- ***Canada-European Union Agreements:***
  Throughout 2002, Canada and the European Union (EU) negotiated a trade agreement on alcoholic beverages.
  After extensive representation during the negotiations by IIR, the EU accepted Alberta's position that, as a consequence of privatization, the province should be exempted from the provisions dealing with the operation of liquor boards.
  Also in 2002-2003, in response to an initiative from the federal government, Alberta developed and forwarded a comprehensive position on the potential negotiation of a Canada-EU Free Trade Agreement.
- ***Cartagena Protocol on Biosafety:***
  IIR developed Alberta's position on Canadian ratification of the international Biosafety Protocol based on the work of several provincial ministries and with input from private sector interests in Alberta. Alberta's position opposing ratification has been reflected in federal government failure to ratify this protocol.

## Labour and Environmental Side Agreements ...

IIR provided strategic advice regarding formulations with respect to labour and environment side agreements to the provincial government ministries of Environment and Human Resources and Employment.

The ministry also engaged in communications with the federal government respecting the nature and extent of obligation clauses under these side agreements in future regional or bilateral agreements.

As a result of continued advice, the federal government ultimately accepted that it would no longer use its preferred extent of obligations clause and would use the version of the clause advanced by Alberta in future side agreements.

## Canada-United States Issues ...

The ministry encouraged the federal government to address the issue of further continental integration, particularly in the areas of agriculture, energy trade, and border mobility.

IIR actively monitored the impact of the *United States Farm Bill* on Alberta's agricultural industry and communicated provincial concerns regarding the bill's provisions for increased agricultural support and country-of-origin labeling to the Government of Canada and Government of the United States (through the United States' Ambassador to Canada, His Excellency Paul Cellucci).

IIR worked with Alberta Agriculture, Food, and Rural Development and with legal counsel to identify potential challenges to country of origin provisions in the U.S. Farm Bill through the WTO and the NAFTA. Ministerial meetings were organized and took place in Washington D.C. in September 2002 to press Alberta priorities and trade policy interests directly with senior decision makers in the United States.

The ministry also worked closely with Alberta Energy to provide analysis and advice regarding regulatory issues and proposed energy developments in light of NAFTA and WTO obligations.

### Trade Disputes ...

The WTO Appellate Body ruled in December 2002 that Canadian milk export mechanisms were inconsistent with international trade rules. IIR worked with Alberta Agriculture, Food, and Rural Development to identify changes to provincial regulations to ensure compliance with the WTO ruling.

The United States also initiated countervailing duty and anti-dumping duty actions against exports of durum and hard red spring wheat from Canada. The United States made an affirmative preliminary subsidy determination in March 2003. IIR is working with Alberta Agriculture, Food, and Rural Development and with legal counsel to defend against subsidy allegations made against Alberta programs (the provision of railcars for grain transportation).

### Trade Studies ...

IIR supported the development of a number of research studies throughout the year to assist in identifying the province's trade policy priorities and to inform the public about the importance of trade to the province.

Information on finding these studies on the internet can be found to the left.

**WEBSITE LINKS**

**The following studies can be viewed at www.iir.gov.ab.ca/trade/pages/inter_trade/pub_speeches.htm:**

- Improvements to the WTO Subsidies and Anti-Dumping Agreements: Proposals for Discussion (October 2002)
- Alberta Tariff Reduction and Elimination Priorities, 1997-2001 (November 2002)
- The Alberta and Western Canada Export Experience Under the Free Trade Agreements: 1988-2001 (June 2002)

## KEY RESULT 3.2:

Expanded Canadian internal trade liberalization which promotes the free flow of goods, services, capital, and labour across Canada

### Agreement on Internal Trade (AIT) ...

The Minister of Alberta International and Intergovernmental Relations Co-Chaired the Committee on Internal Trade (CIT) for two years, ending in June 2002.

The CIT is a ministerial body responsible for overseeing the AIT. This is done in collaboration with the Minister of Industry Canada.

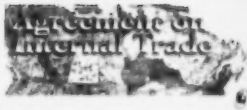
Alberta continued to provide direction and leadership in the removal of interprovincial trade barriers and the further negotiation and implementation of the AIT.

Highlights over the term included:

- The successful National Public Consultations Project;
- The implementation of the Labour Mobility Chapter;
- The full implementation of the agreement by the new provincial government in British Columbia;
- An Alberta initiative that resulted in positive changes in the way that the federal government advertises its public service positions, meaning positions are now more open to candidates from across Canada.

IIR provided strategic direction to Alberta departments on domestic trade issues and incorporated their views into the province's negotiating position for the June 2002 CIT Meeting in Vancouver, B.C.

**QUICK FACT**




The Agreement on Internal Trade cam into force on July 1, 1995.

### Committee on Internal Trade Ministerial Meeting ...

A CIT ministerial meeting was held for the first time in two years, despite federal government resistance and at the insistence of Alberta, in June 2002.

Alberta co-chaired the meeting, in which a new code of conduct on investment incentives and rules for procurement by government-owned crown corporations were approved.

Alberta refused to endorse the conclusion of an energy chapter at that meeting that would have seen indefinite and perpetual carve outs for aspects of the energy sector for the Atlantic Provinces.

### Energy Negotiations with British Columbia ...

Work began on a proposal to develop a bilateral energy trade agreement with British Columbia under the framework of the Agreement on Internal Trade in July 2002.

IIR and Alberta Energy cooperated on developing this agreement, which covers the energy sector.

Work on the proposal continued through the fiscal year until November 2002, when a draft agreement dealing with oil and gas and the cross-territorial transmission of electricity was completed and forwarded to the trade minister in British Columbia for consideration.

### Internal Trade Disputes and Complaints ...

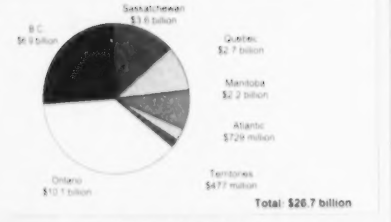
In support of industries and businesses in the province that are being impacted negatively by trade barriers that exist within Canada, IIR facilitated Alberta's involvement in internal trade disputes related to:

- Quebec's controversial margarine colouration regulation;
- Ontario's restrictive public accounting licensing regulation;
- Ontario's *Edible Oil Products Act* which was expected to be repealed (Ontario has delayed repeal);
- The Canadian federal government's amendment to the *Bank Act* with respect to cost of credit disclosure.

Alberta, as part of its responsibilities as co-chair of the CIT, also chaired a dispute settlement conference in April 2002, related to the inter-provincial sale of fluid milk in Atlantic Canada.

IIR additionally forwarded the province's concerns with respect to delays in AIT panel appointments by Ontario and Quebec to the current CIT co-chairs, Canada and New Brunswick.

Alberta's concerns centre on the implications of the failure to make panel appointments on private sector confidence in the agreement dispute resolution process and also the future of the AIT.




**QUICK FACT**

The chart above shows the value of shipments exported from Alberta to the rest of Canada in 1999 (most recent data available).

IIR also monitored developments in the reforms underway in the federal public service with respect to hiring procedures and secured assurances that reforms will result in the implementation of a fully open geographical selection process when federal public service jobs are advertised.

### Public Stakeholder Consultations / New Negotiations ...

The Minister of International and Intergovernmental Relations and the Minister of Industry Canada released the final report of the National Public Consultations Project in June 2002.

The results were encouraging to Alberta as the private sector pressed for governments to continue work on the AIT.

Alberta's submission concerning its position on the future of the AIT, outlining all the areas where the province wishes to see improvements and future negotiations, was forwarded to the CIT in November 2002.

IIR continues to communicate with AIT stakeholders in the province regarding the outcome of the national consultation process, potential improvements to the agreement, and other issues related to the AIT.

AUDITOR GENERAL
*Alberta*

## Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly:

In connection with the Ministry of International and Intergovernmental Relations' performance measures included in the *2002-2003 Annual Report of the Ministry* I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from organizations included in the consolidated financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as the targets, agree to and include results for all of the measures presented in Budget 2002.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the 2002-2003 Annual Report of the Ministry of International and Intergovernmental Relations.

Fred J. Dunn FCA
**Auditor General**

Edmonton, Alberta
July 25, 2003

Alberta International and Intergovernmental Relations' goals are primarily focused on achievement of long-term objectives, including:

- **Ensuring that Alberta receives a fair share of federal-provincial funding for intergovernmental arrangements;**
- **Building Alberta's linkages and relationships with other countries;**
- **Improving Alberta's export performance.**

IIR's success frequently depends on a number of external factors, such as the economy and relations between governments.

Additionally, results are often affected by other factors, both within the provincial government and outside of the provincial government, such as the private sector.

It is therefore often the case that the ministry's goals are attained over the long term rather than the short term and are often best measured in non-numerical ways.

### List of Key Performance Measurement Tools ...

The chief measure used by the ministry has been the narrative account of achievements outlined in successive annual reports.

The annual report is a vital document in chronicling year-to-year progress on goals, which are frequently multi-year in scope.

The ministry develops a detailed annual report each year, which incorporates explanations of key meetings and agreements, along with a list of intergovernmental agreements finalized in the fiscal year. As such, it represents an important record of the ministry's achievements.

Another key element in the ministry's success is the quality of the relationships it builds with its clients and partners, including:

- Other Alberta government ministries;
- Other Canadian provincial and territorial governments;
- Private sector.

To help advance Alberta's interests, these relationships must be developed and fostered over the long-term.

As a result, client feedback is a key instrument for assessing the quality and effectiveness of these relationships.

A further important measure of the ministry's success is the regular tracking by polling of the views of Albertans on the performance of the provincial government in the area of intergovernmental relations.

In summary then, the ministry measures its performance in several ways:

- Narrative records of performance (annual and mission reports);
- Client satisfaction surveys;
- Polling by Environics Canada on Albertans' views;
- Intermediate outcomes or progress reports on long-term issues;
- Secondary indicators that track macroeconomic trends, such as trade statistics (While these are not direct measures of performance they do indicate the environment in which the ministry operates).

IIR staff were involved in assembling information presented in the 2002-2003 Annual Report.

The ministry executive reviewed initiatives and undertakings using criteria including:

- Links between the issues and the 2002-2005 IIR Business Plan;
- Importance of issues for the government in general and specifically for Premier Klein and Minister Jonson;
- Public or stakeholder interest;
- Investment of staff resources.

## Discussion of Key Performance Measurement Tools ...

### TOOL 1: NARRATIVE RECORDS OF PERFORMANCE

Through narrative records, the ministry outlines intergovernmental outcomes and events with a view to assessing how they conformed to the province's objectives.

The primary record is the annual report. A team of ministry officials referencing yearly annual report standards prepares the annual report, which is approved by the Minister.

Other records include mission reports and communiqués from major intergovernmental meetings.

Mission reports are developed in consultation and collaboration with provincial representatives who participated in the mission. Captured in mission reports are significant issues addressed during the mission, opportunities identified, and follow-up required.

Communiqués from major interdepartmental meetings are generally negotiated among and drafted by intergovernmental officials at each meeting. The communiqué reflects the discussion and decisions by Premiers. Once drafted, communiqués are reviewed and amended by Premiers before being published.

Since Premiers often meet in camera, some communiqués are drafted by the Premiers. Listed below are mission reports and communiqués drafted during the 2002-2003 Fiscal Year:

***Premier Klein's Mission to Ukraine (May 18-23, 2002)***

*This nine-page report presents the mission itinerary, highlights, objectives, results, and participants.*

*Highlights from the mission include:*

- *Meetings with President Leonid Kuchma, Prime Minister Anatoliy Kinakh, and Vice-Prime Minister Vasyl Rohovyi;*
- *Meetings with government leaders from the subnational oblasts of Lviv, Ternopil, Chernivtsi and Ivano-Frankivsk;*
- *An agreement committing Alberta to assist Ukraine with agricultural reforms in partnership with the World Bank's International Financial Corporation;*
- *An announcement of a five-year educational awards program between Alberta-Ukraine valued at $150,000;*
- *A roundtable meeting with Alberta businesses involved or interested in doing business in Ukraine.*

***2002 Western Premiers' Conference (Dawson City, June 6, 2002)***

*The communiqué resulting from this conference highlights that Premiers agreed on cooperative approaches during discussions on several issues related, but not limited to, agriculture, disaster financial assistance, climate change, infrastructure, trade, and health.*

*A separate joint western Premiers' and Governors' communiqué stemming from the conference, highlights cooperative approaches to Canada-United States relations and trade, including border issues and energy.*

WEBSITE LINKS

**The report at the left can be obtai at the following website:**

www.iir.gov.ab.ca/inter_rel/pages/premiers_missions.htm

**The reports at the left can be obtai at the following website:**

www.scics.gc.ca/cinfo02/850086008_e.html

www.scics.gc.ca/cinfo02/850086009_e.html

WEBSITE LINKS

***Premiers Call for New Funding Partnership for Health Care for Canadians (Halifax, August 1, 2002)***

*The communiqué developed as a result of this initiative indicates the "Premiers are calling on the federal government to join with provinces and territories in a new funding partnership for health care that meets all Canadians' needs now and in the future."*

*The communiqué further calls on the federal government to hold "a First Ministers' Conference ... before the next federal budget to discuss how we can build on the progress made by provinces and territories in a new cooperative relationship that will revitalize and sustain health care for all Canadians."*

**The report at the right can be obtained at the following website:**

www.scics.gc.ca/cinfo02/850087008_e.html

***A New Study by the Conference Board Confirms the Existence of an Important Fiscal Imbalance in Canada (Halifax, August 1, 2002)***

*Premiers released an independent study conducted by the Conference Board "that confirms the existence of a large and growing fiscal imbalance in Canada between the federal government and the provinces and territories. This study was commissioned by provincial and territorial Ministers of Finance, following their meeting in Corner Brook last April (2001)."*

**The report at the right can be obtained at the following website:**

www.conferenceboard.ca/pdfs/fiscalimbalance.pdf

***Federal-Provincial-Territorial Consultation (Halifax, August 1, 2002)***

*Premiers called for regular meetings with the Prime Minister to deal with important provincial, territorial and federal issues.*

*Premiers noted the last First Ministers' Meeting was held in September 2000 and called on the Prime Minister to commit to an Annual First Ministers' Meeting beginning in the fall of 2002.*

**The report at the right can be obtained at the following website:**

www.scics.gc.ca/cinfo02/850087011_e.html

***Climate Change (Halifax, August 2, 2002)***

*This Premiers' communiqué indicated that provinces and territories would continue to take action on climate change.*

*They agreed that a First Ministers' Meeting was needed prior to any federal decision on the ratification of the Kyoto Protocol.*

**The report at the right can be obtained at the following website:**

www.scics.gc.ca/cinfo02/850087010_e.html

***Trade (Halifax, August 2, 2002)***

*This Premiers' communiqué indicated the importance of international trade agreements that secure free and fair access to global markets to enable their economies to grow and prosper.*

**The report at the right can be obtained at the following website:**

www.scics.gc.ca/cinfo02/850087009_e.html

***First Ministers' Accord on Sustaining and Renewing Health Care for Canadians (Toronto, January 23, 2003)***

*Premiers released a proposed First Ministers' Health Accord at the conclusion of this meeting.*

*The 2003 First Ministers' Accord on Health Care Renewal, reviewed with Prime Minister Jean Chrétien on February 4 and 5, 2003, was an outcome related to this meeting.*

**The reports at the right can be obtained at the following website:**

www.scics.gc.ca/cinfo03/850089004_e.html

www.scics.gc.ca/pdf/800039004_e.pdf

## TOOL 2: CLIENT SATISFACTION SURVEYS

***Objective:***

IIR consults with clients on its contribution to advancing Alberta's priorities and positions through regular surveys.

The survey specifically attempts to track ministry performance in achieving both its mission and vision (see Page 8 of this Annual Report).

The survey also measures the ministry's success in contributing to government-wide priorities and positions in international and intergovernmental relations.

The objective of the ministry is to keep the survey precise and succinct. The 2003 survey differed from the survey that was conducted in 2001, in that it did not include questions about Aboriginal relations. The provincial government has now created a separate ministry, Alberta Aboriginal Affairs and Northern Development (as of March 2001).

Questions related to intergovernmental relations remained part of the survey, to facilitate a comparison between the results of previous surveys.

Given the scope of the survey and the demands it places on respondents, surveys have been conducted every two years including early in 2003. The 2003 survey is the fifth such survey conducted since this performance measure was initiated in 1995.

To ensure useful and credible data, the ministry follows these principles when conducting the survey:

- Surveys are conducted by a third party with the anonymity of respondents guaranteed;
- Selection of surveyed clients is inclusive (known critics are included);
- Questions are probing and related to ministry goals and strategies;
- Survey results are used internally to improve business practices.

***Target:***

To achieve a high satisfaction rating of 4.0 (out of a 5.0-point scale) from the ministry's key clients.

***Methodology:***

A contractor was retained by the ministry to coordinate the 2003 survey. The survey and mailing list were developed by the consultant with input from ministry staff.

The contractor directly contacted potential respondents through regular mail or electronic mail to seek their responses.

A total of 317 clients were contacted on January 8, 2003 with a request to complete the survey by January 24, 2003. Of those notified, 264 were internal clients (provincial government) and 53 were external clients (non-government). Nineteen surveys were returned unanswered because the individual being surveyed was no longer a ministry client, for an adjusted client list of 298.

Completed surveys were accepted up to and including January 31, 2003. By that date, 157 surveys had been received for an overall response rate of 53% (the 2001 response rate was 54% and the 1999 response rate was 53%).

The survey aims to collect feedback on client satisfaction in three areas:

- IIR services;
- IIR program areas;
- Overall client satisfaction

**IIR Services**

Questions identified below are asked of clients in four service areas:

- Advancing Alberta's interests:
  - Provides leadership advancing Alberta's interests with other governments
  - Develops strategies to deal with other governments
  - Negotiates agreements
  - Develops policies where no other government agency has overall/lead responsibility
  - Manages trade disputes/complaints in the interests of Albertans and Alberta
- Coordination:
  - Organizes meetings, conferences, special events
  - Organizes incoming international visits/missions
  - Coordinates/chairs policy working groups, interdepartment committees
  - Implements agreements, policies, protocols, and Memorandums of Understanding, including trade agreements

- Strategic Advice:
  - Provides strategic advice
  - Interprets external events
  - Interprets major agreements
- Information:
  - Reviews strategic information from outside Alberta/other governments
  - Develops briefing materials that summarize and analyze issues
  - Responds to requests for general information and analysis
  - Provides up-to-date information on its website

Respondents are asked to rate ministry performance in each of these areas on a five point scale, ranging from 1= very dissatisfied to 5= very satisfied.

**IIR Program Areas**

Respondents are asked a series of questions to assess their satisfaction with each of the three sections of the ministry (Canadian Intergovernmental Relations, International Relations, Trade Policy). This question was first added in 1999.

Respondents are asked to rate ministry performance on a five-point scale, ranging from 1= very dissatisfied to 5= very satisfied.

Responses to questions result in ratings on overall client satisfaction with these program areas.

**Overall Client Satisfaction**

Respondents are asked to assess their overall satisfaction with staff effectiveness and accessibility.
A five-point scale is used from 1=very dissatisfied to 5= very satisfied for responses.
Responses to questions result in ratings on overall client satisfaction of the customer service provided.

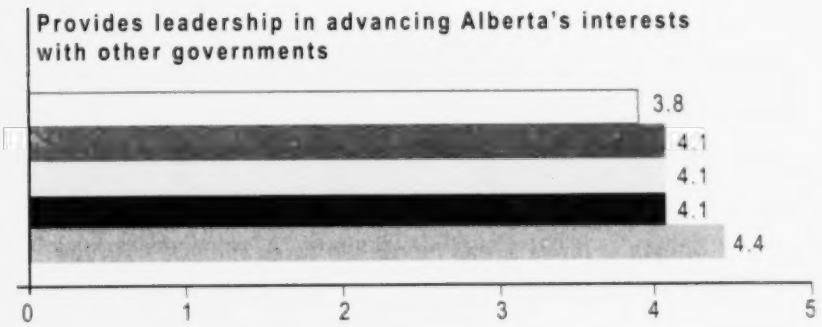
The following graphs and explanations summarize the results of the 2003 Client Satisfaction Surveys.

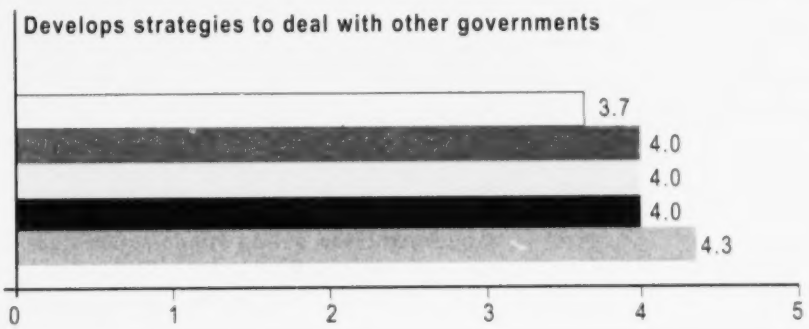
**IIR SERVICES - Advancing Alberta's Interests**

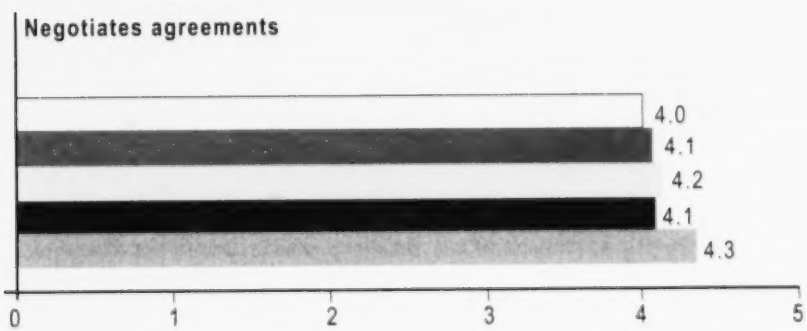
**GRAPH LEGEND:**

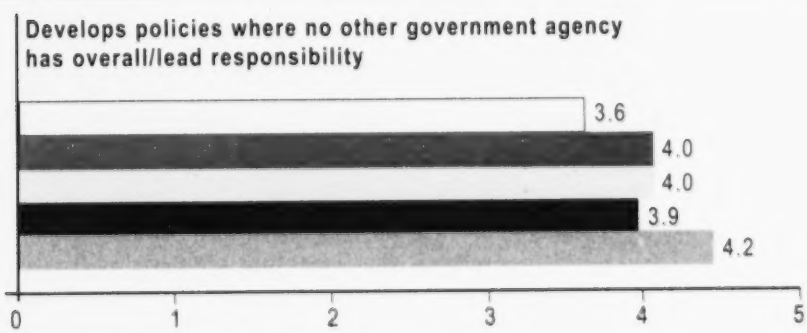
- 1995
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor satisfied
**Rating 4** - satisfied
**Rating 5** - very satisfied

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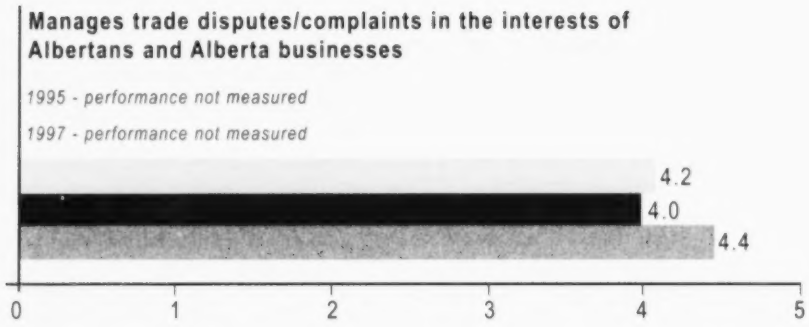



GRAPH LEGEND:

- 1995
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor s
**Rating 4** - satisfied
**Rating 5** - very satisfied

*Satisfaction ratings in these areas increased since the 2001 survey. Overall, clients are satisfied with services in this area.*

*A service added on the 1999 survey was "managing trade disputes complaints in the interests of Albertans and Alberta business."*

*Overall, clients were satisfied with this service in 2003, showing the highest level of satisfaction since the statement was introduced in 1999.*

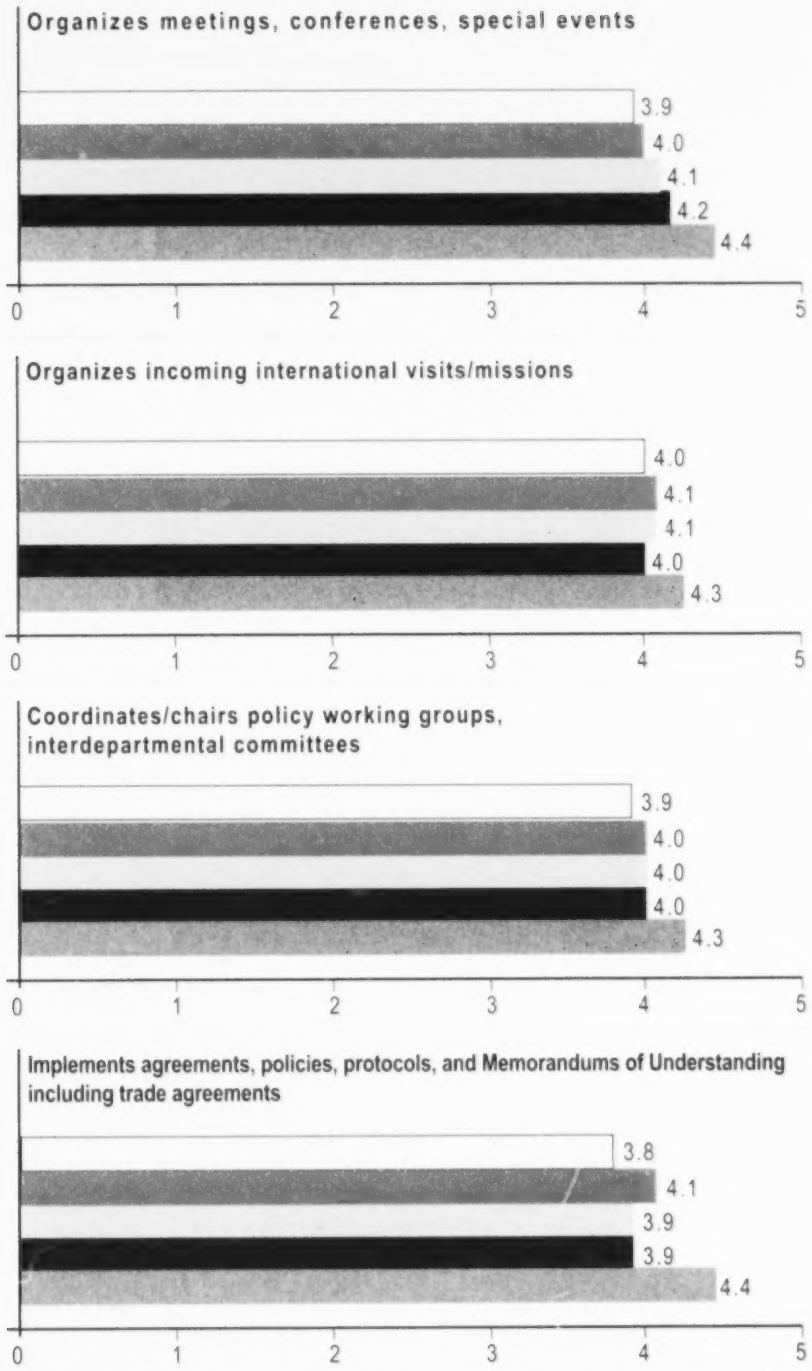
**Source:** *IIR 2003 Client Satisfaction Survey*

## IIR SERVICES - Coordination

**GRAPH LEGEND:**

- 1995
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor satisfied
**Rating 4** - satisfied
**Rating 5** - very satisfied

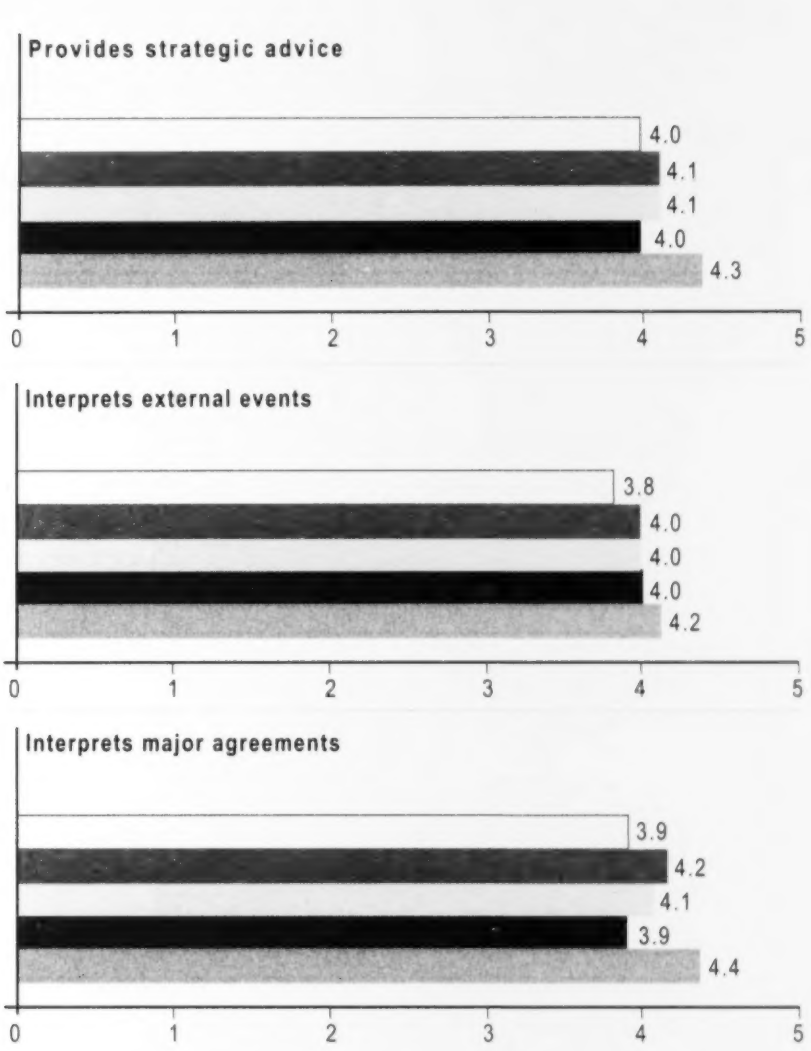



*Overall, the mean ratings for questions involving coordination are higher for 2003 than for 2001 and the years previous.*

*This indicates that clients are satisfied with coordination services provided by the ministry.*

**Source:** *IIR 2003 Client Satisfaction Survey*

## IIR SERVICES - Strategic Advice




GRAPH LEGEND:

- 1995
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor s
**Rating 4** - satisfied
**Rating 5** - very satisfied

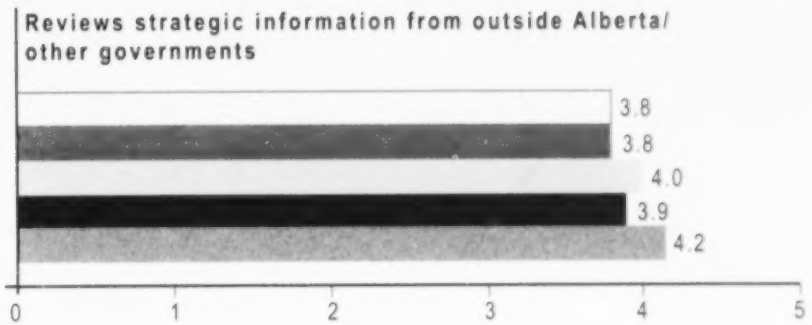
*Satisfaction ratings for 2003 are higher than those in the 2001 survey. Overall, clients are satisfied with services provided by the ministry.*

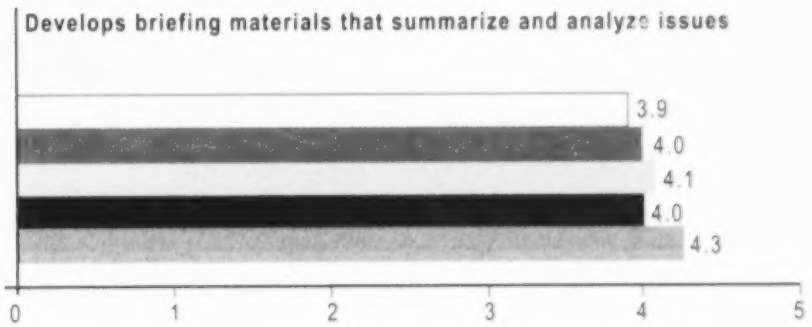
**Source:** *IIR 2003 Client Satisfaction Survey*

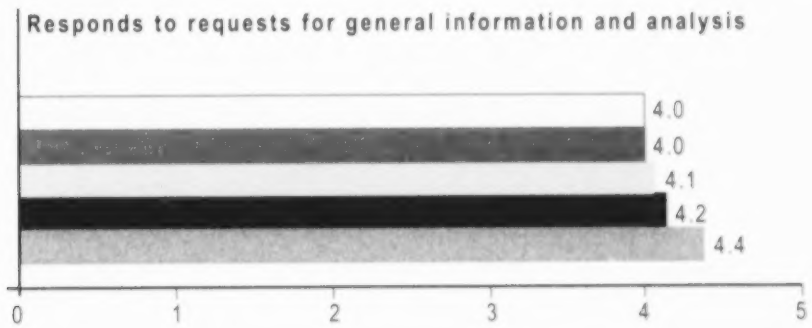
**GRAPH LEGEND:**

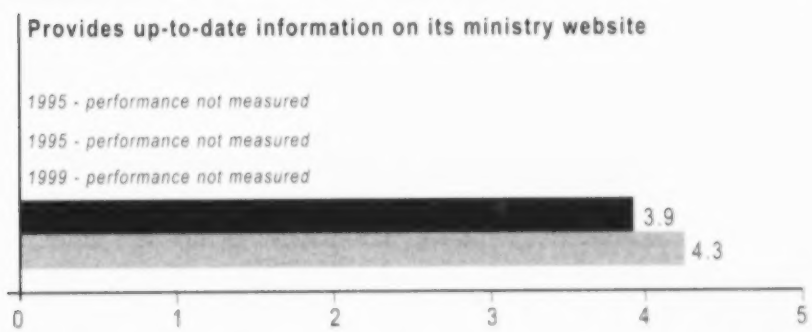
- 1995
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor satisfied
**Rating 4** - satisfied
**Rating 5** - very satisfied



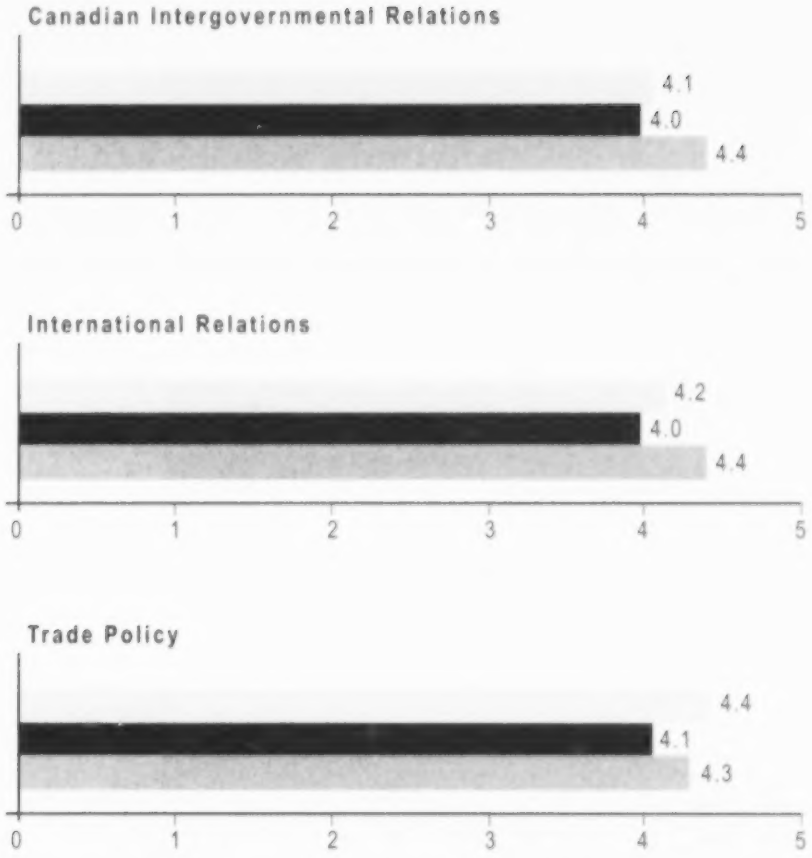




*Overall, the 2003 satisfaction ratings have improved noticeably since 2001 and previous surveys, indicating that clients are satisfied with information services provided by the ministry.*

**Source:** *IIR 2003 Client Satisfaction Survey*

## IIR PROGRAM AREAS




GRAPH LEGEND:

1999
2001
2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor sa
**Rating 4** - satisfied
**Rating 5** - very satisfied

*In 1999, clients began being asked which section of the ministry they dealt with the most and their degree of satisfaction with the services of each section. The mean ratings for each program area of the ministry increased from 2001. There was a high level of satisfaction with all three ministry program areas.*

**Source:** *IIR 2003 Client Satisfaction Survey*

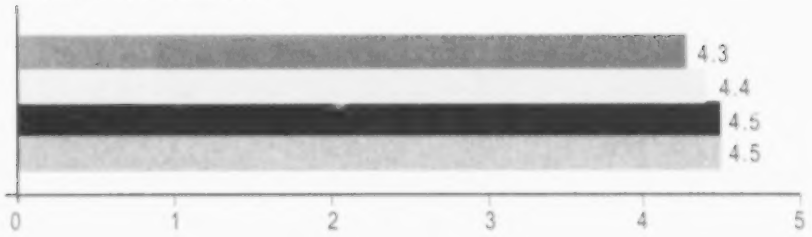
## OVERALL CLIENT SATISFACTION

**GRAPH LEGEND:**

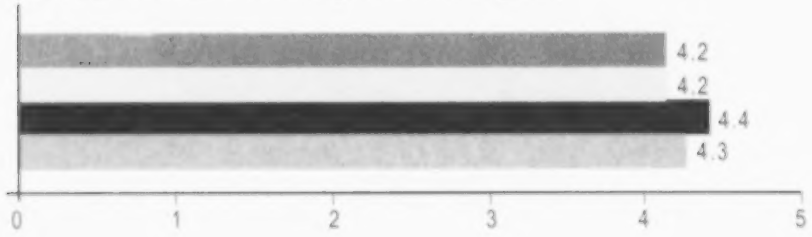
- 1997
- 1999
- 2001
- 2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor satisfied
**Rating 4** - satisfied
**Rating 5** - very satisfied

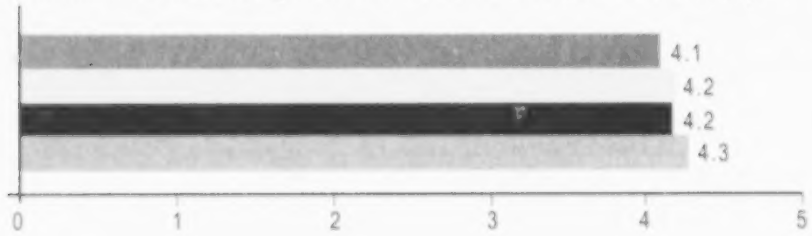
Staff were accessible



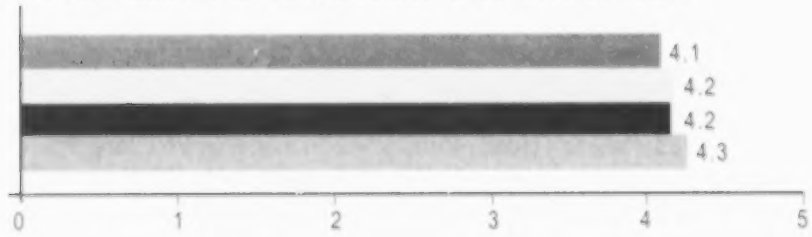

Advice contributed to objectives being met



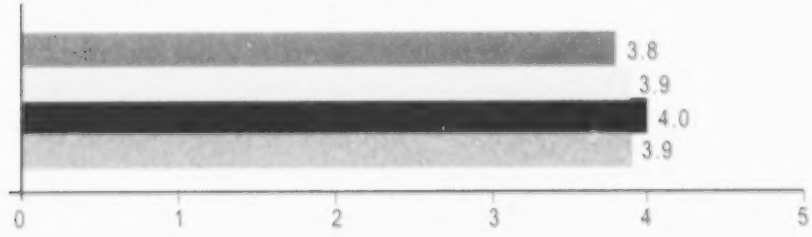

Information and briefing notes were concise, accurate, useful, timely

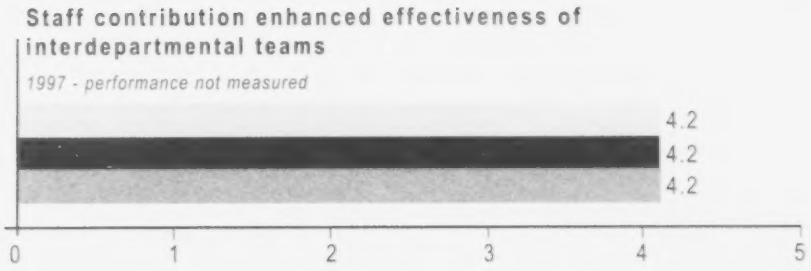


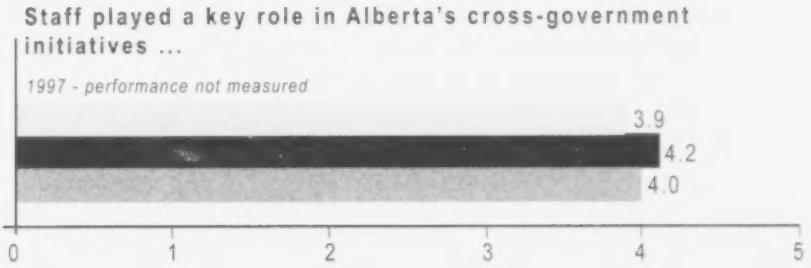

Preparation for meetings/conferences were effective




Emerging issues were anticipated






GRAPH LEGEND:

1997
1999
2001
2003

**Rating 1** - very dissatisfied
**Rating 2** - dissatisfied
**Rating 3** - neither dissatisfied nor sa
**Rating 4** - satisfied
**Rating 5** - very satisfied

*Mean satisfaction ratings in this area were similar when comparing 2001 and 2003.*

*Overall, clients are satisfied with the level of customer service provided by ministry staff with only "emerging issues were anticipated", not meeting the ministry target of 4.0 or higher.*

**Source:** *IIR 2003 Client Satisfaction Survey*

***Overall Client Satisfaction Survey Result Conclusions:***

The ministry found the client survey to be useful in evaluating the satisfaction of key clients inside and outside of the provincial government.

Staff make use of the information and feedback to consider improving their interaction with clients for the future.

While positive results are evident through all five surveys to date, there are minor variations in survey-to-survey results that generate internal review.

## TOOL 3: PUBLIC POLLING

An important measure of provincial government performance in the area of intergovernmental relations is public polling data on the satisfaction level of Albertans in this area.

Data is based on an independent quarterly national opinion poll by Environics Canada, surveying provincial and federal government performance, as reported in the "Focus Canada Report."

This data does not relate directly to the performance of the ministry, but tracks public perception of government performance.

Respondents are specifically asked to rate their approval or disapproval of the way their government (provincial and federal) handles federal-provincial relations. The average of the four surveys each year shows the percentage of citizens approving of their respective governments' performance.

***Methodology:***
For each Focus Canada Survey, Environics Canada completes telephone interviews of over 2,000 Canadians.

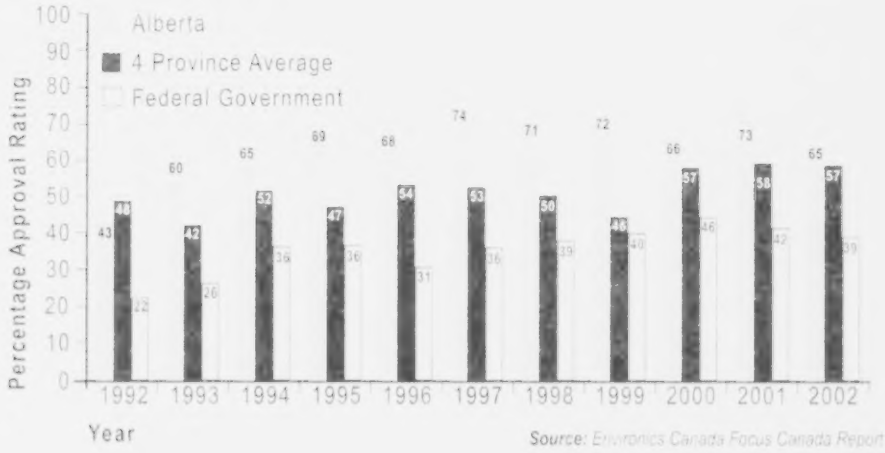
For the 2002 third quarter edition of the Focus Canada Survey, a total of 213 interviews were conducted in Alberta and 705 in Western Canada. The margin of error nationally is plus or minus 2.2%, 19 times out of 20. It is important to note that the margin of error rises as the sample sizes fall (for Alberta it is 6.7%, for the West as a whole it is 3.7%).

Sample selection is done through random draw from telephone directories (a modified "Waksburg Mitofsky" sample selection technique).
The population is stratified into ten regions, one of which is Alberta; four community sizes (ranging from more than one million to those under 5,000); and employs gender, age, and women in the workforce quotas.

Alberta's target is to maintain the government's public approval rating in federal-provincial relations on par with the average of the provinces of British Columbia, Saskatchewan, Manitoba and Ontario. These four provinces are used as a benchmark because they are closest to Alberta in terms of geography, history, demographics, and political concerns.

Alberta's approval rating in 2002 for federal-provincial relations was 65%. This exceeds the four-province average which was found to be 57%. The federal government rating was 39%.

The following graph shows public approval ratings of government performance in the area of intergovernmental relations:




Source: *Environics Canada Focus Canada Report*

## TOOL 4: INTERMEDIATE OUTCOMES/PROGRESS REPORTS ON LONG-TERM ISSUES

IIR also measures outcomes through status reports on major initiatives. These reports of intermediate outcomes allow governments and the public to keep track of complex, long-term issues.

In 2002, progress reports included:

***Western Premiers and Governors Annual Meeting 2002 Progress Report: Follow-up to the 2001 Meeting of Western Premiers and Governors (Dawson City, Yukon; June 2002)***

*This 10-page document provides a summary of "the actions that have been taken to address the issues that Premiers and Governors discussed last year (2001). The report provides information on the following areas of discussion: border issues including security, emergency preparedness, crime prevention and enforcement, and trade corridors; trade issues; agriculture including animal health and safety regulations; transportation, and energy."*

*The report was prepared through input and collaboration of officials from Alberta, British Columbia, Saskatchewan, Manitoba, Yukon, Alaska, Idaho, Minnesota, Montana, North Dakota, South Dakota, and Washington State.*

**The report at the left can be obtai at the following website:**

www.scics.gc.ca/pdf/ 850086010_e.pdf

***Border Issues: A Report to Western Premiers and Governors (June 2002)***

*This 10-page document "focuses on four key border issues: border security, emergency preparedness, crime prevention/enforcement, transportation/trade corridors, and border crossing improvements."*

*The report was prepared through the input and collaboration of officials from Alberta, British Columbia, Saskatchewan, Manitoba, Yukon, Alaska, Idaho, Minnesota, Montana, North Dakota, South Dakota, and Washington State.*

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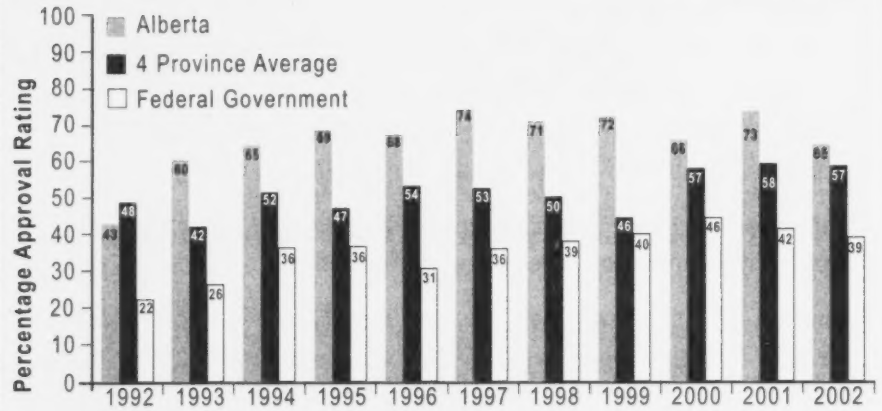
## APPROVAL RATINGS IN INTERGOVERNMENTAL RELATIONS




**Source:** *Environics Canada Focus Canada Report*

### TOOL 4: INTERMEDIATE OUTCOMES/PROGRESS REPORTS ON LONG-TERM ISSUES

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**WEBSITE LINKS**

**The report at the left can be obta at the following website:**

www.scics.gc.ca/pdf/850086010_e.pdf

**The report at the left can be obt at the following website:**

www.scics.gc.ca/pdf/850086011_e.pdf

**WEBSITE LINKS**

**The report at the right can be obtained at the following website:**

www.scics.gc.ca/pdf/850086012_e.pdf

***Energy Issues: A Report to Western Premiers and Governors (June 2002)***

*This six-page document "highlights several potential areas of cooperation between states and provinces where Premiers may decide that their Energy Ministers could work with their United States and Mexican colleagues and which the representatives of the Western Governor's Association could agree to discuss with their colleagues." These potential areas of cooperation include:*

- *Sharing information on supply-demand, infrastructure, and emerging resources;*
- *Approvals and permitting of new projects,*
- *Greenhouse gas cooperation.*

*The report was prepared through the input and collaboration of officials from Alberta, British Columbia, Saskatchewan, Manitoba, Yukon, Alaska, Idaho, Minnesota, Montana, North Dakota, South Dakota, and Washington State.*

**The report at the right can be obtained at the following website:**

www.iir.gov.ab.ca/trade/media/AIT_update.pdf

***Alberta's Update on the Agreement on Internal Trade (June 2002)***

*This two-page update on issues that pertain to the domestic Agreement on Internal Trade provides information related to developments relating to negotiations, decisions by the ministerial Committee on Internal Trade, future directions, and Alberta's position with respect to domestic trade issues.*

***Progress of complaints and disputes under the Agreement on Internal Trade***

*Since the inception of the Agreement on Internal Trade in 1995, a "Record of Complaints and Disputes Involving Alberta" demonstrating progress made on complaints and disputes under the agreement, is posted on the IIR Website at: www.iir.gov.ab.ca/trade/pages/dispute_resolution.htm*

*In 2002, there were six active complaints by Albertans against various consumer measure, labour mobility, and agriculture practices of other provinces.*

*No complaints were issued against Alberta.*

## TOOL 5: SECONDARY INDICATORS

IIR makes use of trade statistics as secondary indicators that track macroeconomic trends.

While not direct measures of the ministry's performance, these indicate the environment within which the ministry works to achieve its goals. Changes in trade statistics are one such example.

Changes in trade statistics indicating Alberta's export performance are the result of many factors. Exports may increase or decrease due to world commodity prices or the value of the Canadian dollar. In other cases, provincial trade performance reflects the aggressiveness of Alberta's private sector in opening up new markets. Some of the changes in performance may also be attributed to the impact of trade disputes or successes in removing trade barriers in key markets.

Weblinks for trade statistics can be found in the margin of this page or the ministry website, at: www.iir.gov.ab.ca/trade/pages/inter_trade/statistics.htm:

***Methodology:***

Data for the trade statistics outlined at right are obtained from Statistics Canada's "World Trade Atlas - Canadian Edition" (WTA) database, available at: www.statcan.ca/english/ads/trade/atlas.htm

The WTA data set collects merchandise trade data across Canada and it is assembled by Statistics Canada using the international "Harmonized Commodity, Description, and Coding System."

IIR receives this information on a biannual basis (monthly updates are also available). The statistics posted on the ministry website are taken from preliminary year-end data published in mid-February 2003. (Exports of goods that have been imported abroad and only superficially altered in Canada are not included in these summaries).

**TRADE STATISTIC WEBSITE LINKS:**

**The following information can be found www.iir.gov.ab.ca/trade/page inter_trade/statistics.htm:**

- Alberta's Top 50 Export Destinations (2000, 2001, and 2002)
- Alberta's Top Export Destinations (Excluding the U.S. (2002))
- Alberta's Top 25 Commodity Exports (2000, 2001, and 2002)
- Provincial Export Comparison (2000, 2001, and 2002)
- Western Canadian Exports to FTA/NAFTA Partners

**Hardcopies of the information at the websites is also an appendix at t end of this annual report.**

## TOOL 6: GOVERNMENT MEASURES

The polling data described on Page 53 is the key measure for Goal 19 of the Government of Alberta's Business Plan:
Alberta will work with other governments and maintain its strong position in Canada.

IIR also helped achieve the following government-wide goals:

**Goal 7:** Alberta will have a prosperous economy.
(Linked to IIR outcomes 2.1, 3.1, 3.2)

**Goal 8:** Alberta's workforce will be skilled and productive.
(Linked to IIR outcome 3.2)

**Goal 10:** Alberta's value-added industries will lead economic growth.
(Linked to IIR outcome 2.1, 3.1, 3.2)

**Goal 14:** Alberta business will increase exports.
(Linked to IIR outcomes 2.1, 2.2, 2.3, 3.1, 3.2)

**Goal 15:** Alberta will be a safe place to live and raise families.
(Linked to IIR outcome 1.3)

**Goal 17:** The high quality of Alberta's environment will be maintained or enhanced.
(Linked to IIR outcome 1.2)

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

2002 - 2003 ANNUAL REPORT

# FINANCIAL STATEMENTS

- AUDITOR'S REPORT
- STATEMENT OF OPERATIONS
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF CHANGES IN THE FINANCIAL POSITION
- NOTES TO THE FINANCIAL STATEMENTS
- SCHEDULES TO THE FINANCIAL STATEMENTS

## AUDITOR'S REPORT

AUDITOR GENERAL *Alberta*

### Auditor's Report

To the Members of the Legislative Assembly:

I have audited the statement of financial position of the Ministry of International and Intergovernmental Relations as at March 31, 2003 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. Capital assets costing less than $15,000 have been expensed in the year acquired and have not been recognized as assets in the accompanying statement of financial position. Consequently, the annual amortization of these assets has not been recognized in the statement of operations. In my opinion, an amount of approximately $90,000, representing the net book value of these assets as at March 31, 2003, should be recognized in these financial statements. The effect of this understatement of assets is to understate expenses by approximately $84,000 for the year ended March 31, 2003.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
**Auditor General**

Edmonton, Alberta
May 23, 2003

## STATEMENT OF OPERATIONS

For the year ended March 31, 2003

(in thousands of dollars)

| | 2002-2003 Budget | 2002-2003 Actual | 2001-2002 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Other Revenue | $ - | $ 9 | $ 21 |
| | - | 9 | 21 |
| **Expenses - Directly Incurred** | | | |
| **Voted (Schedules 1 and 2)** | | | |
| International and Intergovernmental Relations | 6,084 | 6,073 | 5,926 |
| | 6,084 | 6,073 | 5,926 |
| **Statutory (Schedules 1 and 2)** | | | |
| **Valuation Adjustments** | | | |
| Provision (Decrease) for Vacation Pay | - | (13) | 12 |
| | - | (13) | 12 |
| | 6,084 | 6,060 | 5,938 |
| **Net Operating Results** | **$ (6,084)** | **(6,051)** | **$ (5,917)** |

** The accompanying notes and schedules are part of these financial statements.*

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2003

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| **Assets** | | |
| Cash | $ 2 | $ - |
| Accounts Receivable | 5 | 10 |
| Advances | 10 | 11 |
| | $ 17 | $ 21 |
| **Liabilities** | | |
| Accounts Payable and Accrued Liabilities (Note 3) | $ 829 | $ 694 |
| **Net Liabilities** | | |
| Net Liabilities at Beginning of Year | (673) | (769) |
| Net Operating Results | (6,051) | (5,917) |
| Net Transfer from General Revenues | 5,912 | 6,013 |
| Net Liabilities at End of Year | (812) | (673) |
| | **$ 17** | **$ 21** |

** The accompanying notes and schedules are part of these financial statements.*

## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2003

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| **Operating Transactions** | | |
| Net Operating Results | $ (6,051) | $ (5,917) |
| Non-Cash Items | | |
| Valuation Adjustments | (13) | 12 |
| | (6,064) | (5,905) |
| Decrease (Increase) in Accounts Receivable | 5 | 39 |
| Decrease (Increase) in Advances | 1 | 8 |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | 148 | (155) |
| Cash Used by Operating Transactions | (5,910) | (6,013) |
| **Financing Transactions** | | |
| Net Transfer from General Revenues | 5,912 | 6,013 |
| **Net Cash Provided (Used)** | 2 | - |
| **Cash at Beginning of Year** | - | - |
| **Cash at End of Year** | $ 2 | $ - |

** The accompanying notes and schedules are part of these financial statements.*

*For the Year Ended March 31, 2003*

## Note 1: Authority and Purpose

The Minister of International and Intergovernmental Relations operates under the authority of the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.*

The purpose of the Ministry of International and Intergovernmental Relations is to lead in the development of government-wide strategies and policies for Alberta's relations with international governments and organizations; and federal, provincial, and territorial governments in Canada.

## Note 2: Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

### (a) Reporting Entity

The reporting entity is the Ministry of International and Intergovernmental Relations, for which the Minister of International and Intergovernmental Relations is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

## (b) Basis of Financial Reporting

### Revenues

All revenues are reported using the accrual method of accounting.

### Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for as reflected in the Government's budget documents.
In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- pension costs which comprise the cost of employer contributions for current service of employees during the year
- valuation adjustments which include changes in the valuation allowances used to reflect assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimates of future payments arising from obligations relating to vacation pay, guarantees, and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 5.

### Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees, and other individuals. The fair values of the financial assets are estimated to approximate their book values. Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Accounts receivable are non-interest bearing and unsecured.

Advances represent amounts provided to Ministry employees for travel expenses and are non-interest bearing and recoverable on demand.

The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. The Ministry has no capital assets exceeding these thresholds.

### Liabilities

Liabilities represent all financial claims payable by the ministry at fiscal year end. The fair value of accounts payable and accrued liabilities is estimated to approximate their book value.

### Net Liabilities

Net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

## Note 3: Accounts Payable and Accrued Liabilities

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| **Accounts Payable** | $ 153 | $ 115 |
| **Accrued Liabilities:** | | |
| Manpower | 205 | 116 |
| Supplies and Services | 67 | 62 |
| Grants | 8 | - |
| Vacation Pay | 388 | 401 |
| Other | 8 | - |
| | **$ 829** | **$ 694** |

## Note 4: Commitments

(in thousands of dollars)

As of March 31, 2003, the Ministry had service contract commitments of $340 (2002 - $422).

## Note 5: Defined Benefit Plans

(in thousands of dollars)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan.

The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $260 (2002 - $248) for the year ended March 31, 2003.

At December 31, 2002, the Management Employees Pension Plan reported a deficiency of $301,968 (2001 - $5,338 surplus) and the Public Service Pension Plan reported an actuarial deficiency of $175,528 (2001 - $320,487 actuarial surplus). At December 31, 2002, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $6,472 (2001 - actuarial deficiency $399).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2003, the Bargaining Unit Plan reported an actuarial deficiency of $14,434 (2002 - $8,646) and the Management, Opted Out, and Excluded Plan reported an actuarial deficiency of $3,053 (2002 - $2,656). The expense for these two plans is limited to employer's annual contributions for the year.

## Note 6: Comparative Figures

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

## Note 7: Approval of Financial Statements

These financial statements were approved by the Senior Financial Officer and the Deputy Minister.

## SCHEDULE 1: EXPENSES DIRECTLY INCURRED DETAILED BY OBJECT

For the year ended March 31, 2003

(in thousands of dollars)

| | 2002-2003 Budget | 2002-2003 Actual | 2001-2002 Actual |
|---|---|---|---|
| **Voted:** | | | |
| Salaries, Wages, and Employee Benefits | $ 3,870 | $ 4,121 | $ 4,018 |
| Supplies and Services | 2,133 | 1,979 | 1,907 |
| Supplies and Services from Support Service Arrangements with Related Parties (a) | - | 45 | 40 |
| Grants | - | 8 | 5 |
| Financial Transactions and Other | 81 | 76 | 71 |
| Total Voted Expenses Before Recoveries | 6,084 | 6,229 | 6,041 |
| Less Recovery from Support Service Arrangements with Related Parties (b) | - | (156) | (115) |
| | $ 6,084 | $ 6,073 | $ 5,926 |
| **Statutory:** | | | |
| Valuation Adjustments Provision (Decrease) for Vacation Pay | - | (13) | 12 |
| | **$ -** | **$ (13)** | **$ 12** |

*(a) The Ministry receives financial reporting, payroll, and human resource services from the Department of Learning.*

*(b) The Ministry provides financial, information technology, and administrative services to the Ministry of Aboriginal Affairs and Northern Development.*

## SCHEDULE 2: COMPARISON OF EXPENSES - DIRECTLY INCURRED BY ELEMENT TO THE AUTHORIZED BUDGET

For the year ended March 31, 2003

(in thousands of dollars)

| | Estimates | Authorized Supplementary | Authorized Budget | Actual Expense (a) | Unexpended (Over Expended) |
|---|---|---|---|---|---|
| **Voted Expenses:** | | | | | |
| International and Intergovernmental Relations | | | | | |
| 1.0.1 Office of the Minister | $ 300 | $ - | $ 300 | $ 284 | $ 16 |
| 1.0.2 Corporate Services | 1,753 | - | 1,753 | 1,863 | (110) |
| 1.0.3 International Relations | 1,662 | - | 1,662 | 1,572 | 90 |
| 1.0.4 Trade Policy | 893 | - | 893 | 934 | (41) |
| 1.0.5 Canadian Intergovernmental Relations | 1,476 | - | 1,476 | 1,420 | 56 |
| | 6,084 | - | 6,084 | 6,073 | 11 |
| **Statutory Expenses:** | | | | | |
| Valuation Adjustments | | | | | |
| Provision (Decrease) for Vacation Pay | - | - | - | (13) | 13 |
| | $ - | $ - | $ - | $ (13) | 13 |

*(a) Includes achievement bonus amounting to $200*

## SCHEDULE 3: SALARY AND BENEFITS DISCLOSURE

For the year ended March 31, 2003

| | Salary (1) | 2003 Benefits/ Allowances (2) | Total | 2002 Total |
|---|---|---|---|---|
| Deputy Minister (3) (4) | $ 176,573 | $ 53,722 | $ 230,295 | 218,109 |
| Assistant Deputy Minister International Relations (4) | 132,290 | 30,861 | 163,151 | 155,674 |
| Assistant Deputy Minister Canadian Intergovernmental Relations (4) | 131,084 | 30,502 | 161,586 | 146,394 |
| Executive Director Trade Policy | 115,078 | 25,316 | 140,394 | 129,299 |
| Director Corporate Services (4) (5) | 90,682 | 14,725 | 105,407 | 84,955 |

*Total salary and benefits relating to a position are disclosed.*

*(1) Salary includes regular base pay, bonuses, overtime, and lump sum payments.*

*(2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships, and tuition fees.*

*(3) Automobile provided, no dollar amount included in benefits and allowance figures.*

*(4) Benefits and allowances include vacation payments to the Deputy Minister $4,525 (2002 - $5,439); the Assistant Deputy Minister, International Relations $0 (2002 - $12,690); the Assistant Deputy Minister - Canadian Intergovernmental Relations $0 (2002-$2,083); and Director, Corporate Services $0 (2002-$3,017).*

*(5) The incumbent's services are shared equally with the Ministry of Aboriginal Affairs and Northern Development which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.*

## SCHEDULE 4: RELATED PARTY TRANSACTIONS

For the year ended March 31, 2003

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties.

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| **Expenses - Directly Incurred** | | |
| Supplies and services provided by other ministries | $ 473 | $ 433 |

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The ministry receives services under contracts managed by the Ministry of Government Services (ACSC). Any commitments under these contracts is reported by the Ministry of Government Services (ACSC).

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 5.

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| **Expenses - Incurred by Others** | | |
| Accommodation | $ 763 | $ 761 |
| Legal Services | 46 | 25 |
| | $ 809 | $ 786 |

## SCHEDULE 5: ALLOCATED COSTS

For the year ended March 31, 2003

(in thousands of dollars)

| | 2003 | 2002 |
|---|---|---|
| International and Intergovernmental Relations | | |
| **Expenses Directly Incurred (1)** | $ 6,073 | $ 5,926 |
| **Expenses Incurred by Others** | | |
| Accommodation Costs | 763 | 761 |
| Legal Costs | 46 | 25 |
| | 6,882 | 6,712 |
| **Valuation Adjustments** | | |
| Vacation Pay | (13) | 12 |
| **Total Expenses** | $ 6,869 | $ 6,724 |

*(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.*

INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS

2002 - 2003 ANNUAL REPORT

# APPENDICES

(UNAUDITED)

- TRADE STATISTICS USED AS SECONDARY INDICATORS
- INTERNATIONAL/INTERGOVERNMENTAL AGREEMENTS LISTING
- LIST OF GOVERNMENT ENTITIES' FINANCIAL STATEMENTS

## APPENDIX 1: TRADE STATISTICS USED AS SECONDARY INDICATOR

### DOCUMENT 1:

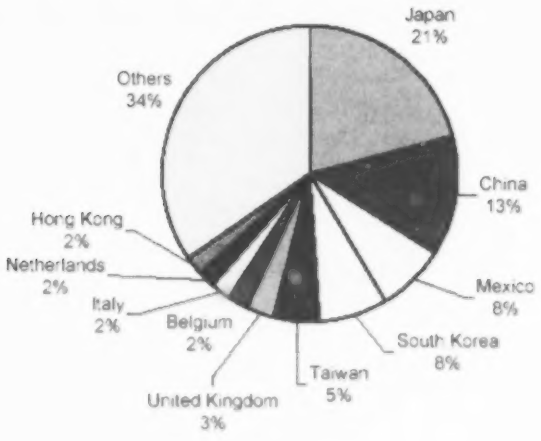
### ALBERTA'S TOP 50 EXPORT DESTINATIONS (2000, 2001, AND 2002)

| Rank | Country | 2002 | | 2001 | | 2000 | | Changes 2002/2001 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Export Value ($ millions) | % of Total Exports | Export Value ($ millions) | % of Total Exports | Export Value ($ millions) | % of Total Exports | $ | % |
| 1 | United States | $ 43,445.47 | 88.47 | $ 50,633.12 | 88.99 | $ 48,730.63 | 88.05 | - $ 7,187.65 | -14.2 |
| 2 | Japan | $ 1,181.63 | 2.41 | $ 1,281.66 | 2.25 | $ 1,349.98 | 2.44 | - $ 100.03 | -7.8 |
| 3 | China | $ 737.77 | 1.50 | $ 873.03 | 1.53 | $ 776.50 | 1.40 | - $ 135.26 | -15.5 |
| 4 | Mexico | $ 428.62 | 0.87 | $ 477.18 | 0.84 | $ 352.63 | 0.64 | - $ 48.56 | -10.2 |
| 5 | South Korea | $ 428.20 | 0.87 | $ 471.73 | 0.83 | $ 598.29 | 1.08 | - $ 43.53 | -9.2 |
| 6 | Taiwan | $ 268.05 | 0.55 | $ 211.08 | 0.37 | $ 235.56 | 0.43 | $ 56.97 | 27.0 |
| 7 | United Kingdom | $ 181.75 | 0.37 | $ 175.53 | 0.31 | $ 198.45 | 0.36 | $ 6.23 | 3.5 |
| 8 | Belgium | $ 128.70 | 0.26 | $ 118.63 | 0.21 | $ 153.20 | 0.28 | $ 10.07 | 8.5 |
| 9 | Italy | $ 128.43 | 0.26 | $ 172.89 | 0.30 | $ 192.43 | 0.35 | - $ 44.46 | -25.7 |
| 10 | Netherlands | $ 110.99 | 0.23 | $ 114.65 | 0.20 | $ 110.78 | 0.20 | - $ 3.67 | -3.2 |
| 11 | Hong Kong | $ 109.74 | 0.22 | $ 109.34 | 0.19 | $ 121.50 | 0.22 | $ 0.40 | 0.4 |
| 12 | France | $ 104.34 | 0.21 | $ 101.12 | 0.18 | $ 114.26 | 0.21 | $ 3.22 | 3.2 |
| 13 | Germany | $ 97.23 | 0.20 | $ 111.26 | 0.20 | $ 155.47 | 0.28 | - $ 14.03 | -12.6 |
| 14 | Indonesia | $ 95.45 | 0.19 | $ 93.60 | 0.16 | $ 118.48 | 0.21 | $ 1.85 | 2.0 |
| 15 | Singapore | $ 89.13 | 0.18 | $ 80.40 | 0.14 | $ 81.74 | 0.15 | $ 8.73 | 10.9 |
| 16 | Brazil | $ 85.33 | 0.17 | $ 93.57 | 0.16 | $ 118.44 | 0.21 | - $ 8.24 | -8.8 |
| 17 | Venezuela | $ 73.87 | 0.15 | $ 110.14 | 0.19 | $ 110.59 | 0.20 | - $ 36.27 | -32.9 |
| 18 | Algeria | $ 73.51 | 0.15 | $ 48.68 | 0.09 | $ 84.27 | 0.15 | $ 24.83 | 51.0 |
| 19 | Australia | $ 71.90 | 0.15 | $ 61.63 | 0.11 | $ 116.75 | 0.21 | $ 10.27 | 16.7 |
| 20 | Iran | $ 65.10 | 0.13 | $ 152.78 | 0.27 | $ 203.31 | 0.37 | - $ 87.69 | -57.4 |
| 21 | Thailand | $ 64.10 | 0.13 | $ 52.74 | 0.09 | $ 41.96 | 0.08 | $ 11.36 | 21.5 |
| 22 | Russia | $ 57.08 | 0.12 | $ 90.13 | 0.16 | $ 62.12 | 0.11 | - $ 33.05 | -36.7 |
| 23 | United Arab Emirates | $ 53.69 | 0.11 | $ 46.53 | 0.08 | $ 56.72 | 0.10 | $ 7.16 | 15.4 |
| 24 | Colombia | $ 52.05 | 0.11 | $ 62.48 | 0.11 | $ 44.06 | 0.08 | - $ 10.43 | -16.7 |
| 25 | Spain | $ 51.11 | 0.10 | $ 51.59 | 0.09 | $ 50.92 | 0.09 | - $ 0.49 | -0.9 |
| 26 | Philippines | $ 47.41 | 0.10 | $ 63.66 | 0.11 | $ 54.34 | 0.10 | - $ 16.25 | -25.5 |
| 27 | Malaysia | $ 46.71 | 0.10 | $ 43.37 | 0.08 | $ 59.00 | 0.11 | $ 3.34 | 7.7 |
| 28 | Yemen | $ 40.20 | 0.08 | $ 25.85 | 0.05 | $ 15.42 | 0.03 | $ 14.35 | 55.5 |
| 29 | Peru | $ 39.83 | 0.08 | $ 28.14 | 0.05 | $ 36.22 | 0.07 | $ 11.69 | 41.5 |
| 30 | Cuba | $ 39.70 | 0.08 | $ 57.24 | 0.10 | $ 55.38 | 0.10 | - $ 17.54 | -30.6 |
| 31 | Chile | $ 37.01 | 0.08 | $ 61.60 | 0.11 | $ 115.72 | 0.21 | - $ 24.59 | -39.9 |
| 32 | South Africa | $ 32.99 | 0.07 | $ 25.39 | 0.04 | $ 40.88 | 0.07 | $ 7.60 | 29.9 |
| 33 | Guatemala | $ 32.79 | 0.07 | $ 27.91 | 0.05 | $ 39.85 | 0.07 | $ 4.88 | 17.5 |
| 34 | Ecuador | $ 31.48 | 0.06 | $ 35.15 | 0.06 | $ 29.02 | 0.05 | - $ 3.67 | -10.4 |
| 35 | Morocco | $ 29.53 | 0.06 | $ 47.89 | 0.08 | $ 54.48 | 0.10 | - $ 18.37 | -38.4 |
| 36 | Switzerland | $ 29.32 | 0.06 | $ 23.03 | 0.04 | $ 31.32 | 0.06 | $ 6.30 | 27.3 |
| 37 | India | $ 29.22 | 0.06 | $ 56.44 | 0.10 | $ 55.32 | 0.10 | - $ 27.22 | -48.2 |
| 38 | Nigeria | $ 23.47 | 0.05 | $ 27.32 | 0.05 | $ 17.91 | 0.03 | - $ 3.85 | -14.1 |
| 39 | Tunisia | $ 22.89 | 0.05 | $ 14.83 | 0.03 | $ 2.07 | 0.00 | $ 8.06 | 54.4 |
| 40 | Norway | $ 22.76 | 0.05 | $ 35.29 | 0.06 | $ 13.29 | 0.02 | - $ 12.53 | -35.5 |
| 41 | Libya | $ 22.43 | 0.05 | $ 7.18 | 0.01 | $ 8.03 | 0.01 | $ 15.25 | 212.3 |
| 42 | Ireland | $ 22.23 | 0.05 | $ 15.58 | 0.03 | $ 8.96 | 0.02 | $ 6.74 | 43.3 |
| 43 | New Zealand | $ 21.28 | 0.04 | $ 27.79 | 0.05 | $ 26.58 | 0.05 | - $ 6.51 | -23.4 |
| 44 | Sudan | $ 21.27 | 0.04 | $ 34.13 | 0.06 | $ 5.66 | 0.01 | - $ 12.86 | -37.7 |
| 45 | Kazakhstan | $ 19.89 | 0.04 | $ 20.29 | 0.04 | $ 12.88 | 0.02 | - $ 0.40 | -2.0 |
| 46 | Egypt | $ 19.27 | 0.04 | $ 53.81 | 0.09 | $ 16.64 | 0.03 | - $ 34.54 | -64.2 |
| 47 | Saudi Arabia | $ 18.28 | 0.04 | $ 27.22 | 0.05 | $ 35.09 | 0.06 | - $ 8.95 | -32.9 |
| 48 | Jamaica | $ 17.65 | 0.04 | $ 15.71 | 0.03 | $ 7.07 | 0.01 | $ 1.94 | 12.4 |
| 49 | Ghana | $ 14.69 | 0.03 | $ 12.33 | 0.02 | $ 12.23 | 0.02 | $ 2.35 | 19.1 |
| 50 | Pakistan | $ 14.62 | 0.03 | $ 6.78 | 0.01 | $ 10.84 | 0.02 | $ 7.84 | 115.7 |
| **Subtotal** | | **$ 48 880.25** | **99.54** | **$ 56 589.43** | **99.46** | **$ 54 943.26** | **99.28** | **- $ 7 709.18** | **-13.6** |
| Others | | $ 228.23 | 0.46 | $ 307.93 | 0.54 | $ 400.35 | 0.72 | - $ 79.70 | -25.9 |
| **The World** | | **$ 49 108.48** | **100.00** | **$ 56 897.36** | **100.00** | **$ 55 343.61** | **100.00** | **- $ 7 788.88** | **-13.7** |

**Source of Data:**
Statistics Canada, World Trade Atlas (Website), February 24, 2003 (excludes re-exports)

## DOCUMENT 2:

## ALBERTA'S TOP EXPORT DESTINATIONS (EXCLUDING THE U.S. (2002))




## DOCUMENT 3:

## ALBERTA'S TOP 25 COMMODITY EXPORTS (2000, 2001, AND 2002)

| Rank | HS Code | Description | 2002 | | 2001 | | 2000 | | Changes 2002/2001 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Export value ($ millions) | % of Total Exports | Export value ($ millions) | % of Total Exports | Export Value ($ millions) | % of Total Exports | $ | % |
| 1 | 271121 | Natural gas | $ 16,193.00 | 32.97 | $ 21,684.03 | 38.11 | $ 17,135.92 | 30.96 | -$ 5,491.03 | -25.3 |
| 2 | 270900 | Crude oil | $ 12,666.30 | 25.79 | $ 12,627.01 | 22.19 | $ 14,878.79 | 26.89 | $ 39.29 | 0.3 |
| 3 | 020130 | Cuts of beef, boneless, fresh/chilled | $ 1,186.29 | 2.42 | $ 1,180.61 | 2.07 | $ 919.42 | 1.66 | $ 5.68 | 0.5 |
| 4 | 271112 | Liquefied propane | $ 925.14 | 1.88 | $ 1,141.38 | 2.01 | $ 790.77 | 1.43 | -$ 216.23 | -18.9 |
| 5 | 852520 | Transmission reception apparatus for telecommunications | $ 669.93 | 1.36 | $ 1,082.63 | 1.90 | $ 1,820.60 | 3.29 | -$ 412.69 | -38.1 |
| 6 | 100190 | Meslin and wheat | $ 666.91 | 1.36 | $ 979.03 | 1.72 | $ 1,017.22 | 1.84 | -$ 312.12 | -31.9 |
| 7 | 440710 | Coniferous wood (softwood) > 6mm thick | $ 659.37 | 1.34 | $ 689.41 | 1.21 | $ 694.08 | 1.25 | -$ 30.03 | -4.4 |
| 8 | 010290 | Live cattle | $ 635.19 | 1.29 | $ 712.56 | 1.25 | $ 511.76 | 0.92 | -$ 77.38 | -10.9 |
| 9 | 390190 | Polymers of ethylene, in primary forms | $ 577.62 | 1.18 | $ 150.33 | 0.26 | $ 38.88 | 0.07 | $ 427.30 | 284.2 |
| 10 | 990100 | Low-value (misc.) transactions | $ 566.00 | 1.15 | $ 608.34 | 1.07 | $ 602.37 | 1.09 | -$ 42.34 | -7.0 |
| 11 | 470321 | Chemical wood-pulp, coniferous, bleached | $ 547.47 | 1.11 | $ 622.01 | 1.09 | $ 750.05 | 1.36 | -$ 74.55 | -12.0 |
| 12 | 290250 | Styrene | $ 506.14 | 1.03 | $ 461.57 | 0.81 | $ 515.52 | 0.93 | $ 44.56 | 9.7 |
| 13 | 470329 | Chemical wood-pulp, non-coniferous, bleached | $ 420.55 | 0.86 | $ 427.00 | 0.75 | $ 548.36 | 0.99 | -$ 6.45 | -1.5 |
| 14 | 290919 | Acyclic ethers | $ 341.93 | 0.70 | $ 497.88 | 0.88 | $ 395.73 | 0.72 | -$ 155.95 | -31.3 |
| 15 | 290531 | Ethylene glycol (ethanediol) | $ 341.37 | 0.70 | $ 444.41 | 0.78 | $ 405.61 | 0.73 | -$ 103.04 | -23.2 |
| 16 | 120510 | Low erucic acid canola seeds | $ 300.19 | 0.61 | | | | | N/A | N/A |
| 17 | 470500 | Semichemical wood-pulp | $ 285.96 | 0.58 | $ 254.62 | 0.45 | $ 370.66 | 0.67 | $ 31.34 | 12.3 |
| 18 | 270112 | Bituminous coal | $ 274.78 | 0.56 | $ 392.30 | 0.69 | $ 377.47 | 0.68 | -$ 117.53 | -30.0 |
| 19 | 310210 | Urea | $ 273.03 | 0.56 | $ 244.69 | 0.43 | $ 359.42 | 0.65 | $ 28.34 | 11.6 |
| 20 | 441021 | Oriented strandboard or waferboard, of wood, unworked/sanded | $ 261.11 | 0.53 | | | | | N/A | N/A |
| 21 | 851730 | Telephonic or telegraphic switching apparatus | $ 260.83 | 0.53 | $ 447.33 | 0.79 | $ 1,458.82 | 2.64 | -$ 186.51 | -41.7 |
| 22 | 852990 | Parts (excl. antenna) for radio, t.v., radar and the like | $ 258.46 | 0.53 | $ 342.62 | 0.60 | $ 232.83 | 0.42 | $ 84.16 | 24.6 |
| 23 | 750210 | Nickel, unwrought, not alloyed | $ 255.86 | 0.52 | $ 219.49 | 0.39 | $ 225.44 | 0.41 | $ 36.37 | 16.6 |
| 24 | 851790 | Parts of electrical apparatus for line telephony or line telegraphy | $ 240.62 | 0.49 | $ 266.71 | 0.47 | $ 367.20 | 0.66 | -$ 25.89 | -9.7 |
| 25 | 271019 | Refined oil from petroleum and bituminous minerals | $ 228.70 | 0.47 | | | | | N/A | N/A |
| **Subtotal** | | | **$ 39,542.95** | **80.52** | **$ 45,475.96** | **79.93** | **$ 44,419.90** | **80.26** | **-$ 5,933.01** | **-13.0** |
| Other Exports | | | $ 9,565.53 | 19.48 | $ 11,421.40 | 20.07 | $ 10,923.71 | 19.74 | -$ 1,855.87 | -16.2 |
| **The World** | | | **$ 49,108.48** | **100.00** | **$ 56,897.36** | **100.00** | **$ 55,343.61** | **100.00** | **-$ 7,788.88** | **-13.7** |

[1] In 2001 and 2000, exports of 120510 and 120590 were combined in 120500, of which $441 million and $393 million were exported in 2001 and 2000, respectively.
[2] In 2001 and 2000, exports of 441021 and 441029 were combined in 441011, of which $345 million and $392 million were exported in 2001 and 2000, respectively.
[3] As of 2002, the tariff classification for 271000 has been broken into 271011, 271019, and 271099. In 2001 and 2000, $469 million and $657 million of 271000 were exported from Alberta, respectively.

Source of Data: Statistics Canada, World Trade Atlas (website), February 26, 2003; excludes re-exports.

## DOCUMENT 4:

### PROVINCIAL EXPORT COMPARISON (2000, 2001, AND 2002)

| Rank | Province | 2002 | | 2001 | | 2000 | | Changes 2002/2001 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Export Value ($ millions) | % of Total exports | Export Value ($ millions) | % of Total exports | Export Value ($ millions) | % of Total exports | $ | % |
| 1 | Ontario | $ 180,944.26 | 49.55 | $ 178,009.23 | 47.45 | $ 185,079.80 | 47.99 | $ 2,935.03 | 1.6 |
| 2 | Quebec | $ 65,317.37 | 17.89 | $ 68,089.48 | 18.15 | $ 71,284.38 | 18.48 | -$ 2,772.10 | -4.1 |
| 3 | Alberta | $ 49,108.48 | 13.45 | $ 56,897.36 | 15.17 | $ 55,343.61 | 14.36 | -$ 7,788.88 | -13.7 |
| 4 | British Columbia | $ 28,644.74 | 7.84 | $ 31,779.96 | 8.47 | $ 33,749.92 | 8.75 | -$ 3,135.22 | -9.9 |
| 5 | Saskatchewan | $ 11,246.62 | 3.08 | $ 11,656.36 | 3.11 | $ 12,559.72 | 3.26 | -$ 409.74 | -3.5 |
| 6 | Manitoba | $ 9,252.10 | 2.53 | $ 9,576.07 | 2.55 | $ 9,577.77 | 2.48 | -$ 323.97 | -3.4 |
| 7 | New Brunswick | $ 8,157.57 | 2.23 | $ 8,270.77 | 2.20 | $ 7,402.64 | 1.92 | -$ 113.20 | -1.4 |
| 8 | Newfoundland | $ 5,494.00 | 1.50 | $ 3,463.90 | 0.92 | $ 3,892.18 | 1.01 | $ 2,030.10 | 58.6 |
| 9 | Nova Scotia | $ 5,345.42 | 1.46 | $ 5,706.72 | 1.52 | $ 5,131.81 | 1.33 | -$ 361.29 | -6.3 |
| 10 | North West Territory | $ 794.45 | 0.22 | $ 769.35 | 0.21 | $ 661.78 | 0.17 | $ 25.09 | 3.3 |
| 11 | Prince Edward Island | $ 679.11 | 0.19 | $ 666.42 | 0.18 | $ 683.05 | 0.18 | $ 12.69 | 1.9 |
| 12 | Nunavut | $ 151.54 | 0.04 | $ 220.73 | 0.06 | $ 273.58 | 0.07 | -$ 69.19 | -31.3 |
| 13 | Yukon | $ 3.99 | 0.00 | $ 9.84 | 0.00 | $ 18.59 | 0.00 | -$ 5.85 | -59.4 |
| Canada | | $ 365,139.66 | 100.00 | $ 375,116.19 | 100.00 | $ 385,658.81 | 100.00 | -$ 9,976.53 | -2.7 |

Source of Data: Statistics Canada, World Trade Atlas (website), February 27, 2003, excludes re-exports

## DOCUMENT 5:

### WESTERN CANADA EXPORTS TO FTA/NAFTA PARTNERS

**Growth Over Time**

| | 1988 | 1993 | 1998 | 2002 | 5-Year % Growth (1993-1998) | 10-Year % Growth (1988-1998) | 14-Year % Growth (1988-2002) |
|---|---|---|---|---|---|---|---|
| **Exports from Alberta to:** | | | | | | | |
| Mexico | $ 78 | $ 84 | $ 287 | $ 429 | 241 | 268 | 450 |
| United States | $ 9,086 | $ 16,693 | $ 25,281 | $ 43,445 | 51 | 178 | 378 |
| NAFTA Partners | $ 9,164 | $ 16,777 | $ 25,567 | $ 43,874 | 52 | 179 | 379 |
| The World | $ 13,106 | $ 20,424 | $ 31,010 | $ 49,108 | 52 | 137 | 275 |
| **Exports from Western Canada (Manitoba, Saskatchewan, Alberta and B.C.) to:** | | | | | | | |
| Mexico | $ 195 | $ 295 | $ 760 | $ 870 | 158 | 290 | 346 |
| United States | $ 20,285 | $ 31,957 | $ 53,116 | $ 77,412 | 66 | 162 | 282 |
| NAFTA Partners | $ 20,480 | $ 32,252 | $ 53,876 | $ 78,282 | 67 | 163 | 282 |
| The World | $ 39,310 | $ 48,445 | $ 75,048 | $ 98,252 | 55 | 91 | 150 |
| **Exports from Canada to:** | | | | | | | |
| Mexico | $ 490 | $ 799 | $ 1,402 | $ 2,275 | 76 | 186 | 364 |
| United States | $ 98,060 | $ 142,510 | $ 251,097 | $ 317,991 | 76 | 156 | 224 |
| NAFTA Partners | $ 98,550 | $ 143,309 | $ 252,499 | $ 320,265 | 76 | 156 | 225 |
| The World | $ 134,853 | $ 177,622 | $ 297,509 | $ 365,140 | 67 | 121 | 171 |

**As a Component of Global Exports**

| | 1988 | | 1993 | | 1998 | | 2002 | |
|---|---|---|---|---|---|---|---|---|
| | $ Value | % of Total Exports | $ Value | % of Total Exports | $ Value | % of Total Exports | $ Value | % of Total Exports |
| **Exports from Alberta to:** | | | | | | | | |
| Mexico | $ 78 | 0.6 | $ 84 | 0.4 | $ 287 | 0.9 | $ 429 | 0.9 |
| United States | $ 9,086 | 69.3 | $ 16,693 | 81.7 | $ 25,281 | 81.5 | $ 43,445 | 88.5 |
| NAFTA Partners | $ 9,164 | 69.9 | $ 16,777 | 82.1 | $ 25,567 | 82.4 | $ 43,874 | 89.3 |
| The World | $ 13,106 | 100.0 | $ 20,424 | 100.0 | $ 31,010 | 100.0 | $ 49,108 | 100.0 |
| **Exports from Western Canada (Manitoba, Saskatchewan, Alberta and B.C.) to:** | | | | | | | | |
| Mexico | $ 195 | 0.5 | $ 295 | 0.6 | $ 760 | 1.0 | $ 870 | 0.9 |
| United States | $ 20,285 | 51.6 | $ 31,957 | 66.0 | $ 53,116 | 70.8 | $ 77,412 | 78.8 |
| NAFTA Partners | $ 20,480 | 52.1 | $ 32,252 | 66.6 | $ 53,876 | 71.8 | $ 78,282 | 79.7 |
| The World | $ 39,310 | 100.0 | $ 48,445 | 100.0 | $ 75,048 | 100.0 | $ 98,252 | 100.0 |
| **Exports from Canada to:** | | | | | | | | |
| Mexico | $ 490 | 0.4 | $ 799 | 0.4 | $ 1,402 | 0.5 | $ 2,275 | 0.6 |
| United States | $ 98,060 | 72.7 | $142,510 | 80.2 | $251,097 | 84.4 | $317,991 | 87.1 |
| NAFTA Partners | $ 98,550 | 73.1 | $143,309 | 80.7 | $252,499 | 84.9 | $320,265 | 87.7 |
| The World | $134,853 | 100.0 | $177,622 | 100.0 | $297,509 | 100.0 | $365,140 | 100.0 |

Sources: Statistics Canada data sets: Tiers (1988 & 1993); World Trade Atlas - March 27, 2003 (1998 & 2002). Excludes re-exports.
The FTA entered into force on January 1, 1989. The NAFTA entered into force on January 1, 1994.

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGENCY |
|---|---|---|
| April 1, 2002 | **Alberta - Canada**<br>"Implementation of Programs Under the Federal Aboriginal Justice Strategy in Alberta: Detention and Transfer of Immigration Detainees" | Solicitor General |
| April 1, 2002 | **Alberta - Canada**<br>"Criminal Intelligence Service of Alberta Funding" | Solicitor General |
| April 1, 2002 | **Alberta - Canada - Louis Bull Tribe**<br>"To Provide Operating Funding for the Louis Bull Police Service for Policing the Louis Bull Indian Reserve Pursuant to the Tripartite Agreement" | Solicitor General |
| April 1, 2002 | **Alberta - Canada**<br>"Agreement to Provide Funding to Expand and Enhance the Existing Criminal Intelligence Service Alberta and for Ongoing and Joint Forces Operations in Accordance with and as Defined by the Business Plan" | Solicitor General |
| April 1, 2002 | **Alberta - Canada**<br>"Implementation of Programs and Services Under the Federal Aboriginal Justice Strategy in Alberta" | Solicitor General |
| April 1, 2002 | **Alberta - Canada - North Peace Tribal Council**<br>"To Provide Operating Funding for the North Peace Tribal Police Service for Policing the Tall Cree First Nation and Little Red River Cree Nation Reserves Pursuant to the Tripartite Agreement" | Solicitor General |
| April 1, 2002 | **Alberta - Canada - Tsuu T'ina Nation**<br>"To Provide Funding for the Tsuu T'ina Nation Police Service Pursuant to the Tripartite Agreement" | Solicitor General |
| April 1, 2002 | **Alberta - Canada - Tsuu T'ina Nation**<br>"To Provide Policing Services to Augment the 1996 Policing Agreement" | Solicitor General |
| April 1, 2002 | **Alberta - Canada**<br>"Agreement on Biology Casework Analysis" | Solicitor General |
| April 1, 2002 | **Alberta - Canada**<br>"To Undertake the Design, Development and Testing of Technology for a Pharmaceutical Information Network (PIN)" | Health & Wellness |
| April 1, 2002 | **Alberta - Canada**<br>"Tuberculosis Control for First Nations Residents in Alberta Including Case Management and Preventative Treatment" | Health & Wellness |
| April 1, 2002 | **Alberta - Canada**<br>"National Safety Code Funding Agreement" | Transportation |
| April 1, 2002 | **Alberta - Canada**<br>"Agreement Respecting Railway Safety Inspection Services" | Transportation |
| April 1, 2002 | **Alberta - Canada**<br>"Interchange Canada Agreement<br>Two Year Secondment Assignment with the Department of Fisheries and Oceans" | Transportation |

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGEN |
|---|---|---|
| April 1, 2002 | **Alberta - Canada**<br>"Department of Natural Resources: With Respect to Washed Drill Cuttings" | Energy<br>Utilities Board |
| April 1, 2002 | **Alberta - All Provinces (Except Quebec)**<br>"Provincial/Territorial Protocol on Children and Families Moving Between Provinces and Territories" | Children's Services |
| April 15, 2002 | **Alberta - Canada**<br>"Agreement with the Royal Canadian Mounted Police Regarding Access to Alberta Registries Information" | Government Services |
| May 1, 2002 | **Alberta - British Columbia - Saskatchewan - Manitoba**<br>"Western College of Veterinary Medicine" | Learning |
| May 7, 2002 | **Alberta - Canada**<br>"Letter of Agreement (Living Expenses)" | Sustainable Resource Developm |
| May 9, 2002 | **Alberta - Canada**<br>"Surface Engineering Research Support" | Alberta Research Council |
| May 10, 2002 | **Alberta - Canada**<br>"Natural Resources Canada:<br>For the Inventory Screening and Ranking of Hydrocarbon Reservoirs in the Western Canada Sedimentary Basin for Geological Storage of Carbon Dioxide" | Energy<br>Utilities Board |
| May 17, 2002 | **Alberta - Canada**<br>"Parameter for a Review of the Arrangement for the Funding and Administration of Social Services (ARA)" | Aboriginal Affairs & Northern Developme |
| June 3, 2002 | **Alberta - Delaware, U.S. A.**<br>"Delaware State Police Video Lottery Enforcement Unit and the ALGA Memorandum of Understanding" | Gaming |
| June 11, 2002 | **Alberta - Saskatchewan**<br>"Memorandum of Understanding on Acid Disposition Management Between the Government of Alberta and the Government of Saskatchewan" | Environment |
| June 14, 2002 | **Alberta - Illinois, U.S.A.**<br>"Memorandum of Understanding Between the Illinois Gaming Board and the ALGA" | Gaming |
| June 15, 2002 | **Alberta - Canada**<br>"Memorandum of Understanding to Examine Environmental Pathways and Fate of Toxic Contaminants of Interest with the Goal Being the Impact of These Contaminants on the Food Chain and on Human Health" | Health & Wellness |
| June 24, 2002 | **Alberta - Canada**<br>"Sample Petroleum Analysis with Natural Resources Canada" | Alberta Research Council |
| June 25, 2002 | **Alberta - Various Provinces - Canada**<br>"Federal-Provincial Framework Agreement on Agricultural and Agri-Food Policy for the Twenty-First Century" | Agriculture, Food, & Rural Development |
| June 25, 2002 | **Alberta - Canada**<br>"Native Species for the Canadian Military" | Alberta Research Council |
| June 28, 2002 | **Alberta - Saskatchewan**<br>"Memorandum of Understanding Between Saskatchewan Liquor and Gaming and ALGA" | Gaming |
| July 1, 2002 | **Alberta - New Zealand**<br>"Memorandum of Understanding on Teacher Exchange with the Association of Colleges of Education, New Zealand" | Learning |

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGENCY |
|---|---|---|
| July 2, 2002 | **Alberta - Canada**<br>"Modelling Cumulative Effects for Woodland Caribou" | Alberta Research Council |
| July 7, 2002 | ALBERTA - CANADA<br>"Contribution Agreement on Cost-Sharing the Development of an Advanced Traveller Information and Traffic Management Systems Blueprint for Highway 2" | Transportation |
| July 8, 2002 | **Alberta - Canada**<br>"Review on Mercury Emissions from Natural Gas" | Alberta Research Council |
| July 16, 2002 | **Alberta - Canada - Piikani Band Council**<br>"Piikani Settlement Agreement" | Aboriginal Affairs & Northern Development |
| July 25, 2002 | **Alberta - Canada**<br>"Memorandum of Understanding to Defray the Costs Associated with the Organization of a First Nations Policing Consultation Workshop" | Solicitor General |
| August 6, 2002 | **Alberta - Canada - Statistics Canada**<br>"YCJA Related Changes to the Justice Online Information Network System" | Justice & Attorney General |
| August 27, 2002 | **Alberta - Canada**<br>"Organic and Inorganic Laboratory Analysis on Behalf of Environment Canada" | Alberta Research Council |
| September 4, 2002 | **Alberta - Canada**<br>"Letter of Agreement (GeoBase)" | Sustainable Resource Development |
| September 6, 2002 | **Alberta - Canada**<br>"Factors Influencing Possible Use of Ultra Violet Light in Drinking Water Treatment Plants" | Alberta Research Council |
| September 6, 2002 | **Alberta - School Boards of All Provinces (Except Quebec) - CCLA**<br>"Amending Agreement to the Pan-Canadian Sampling Protocol" | Learning |
| September 6, 2002 | **Alberta - British Columbia**<br>"British Columbia Ambulance Service: Alberta Health and Wellness is Responsible for Administering Air Ambulance Transportation with British Columbia Agreeing to Pay for These Services" | Health & Wellness |
| September 17, 2002 | **Alberta - All Other Provinces/Territories (Except Quebec and P.E.I.) - Canada**<br>"Intergovernmental Geo-Science Accord II" | Energy |
| | **Alberta - Canada**<br>"Primary Health Care Transition Fund (Multi-Jurisdictional Envelope): Contribution Agreement" | Health & Wellness |
| September 20, 2002 | **Alberta - Canada**<br>"Primary Health Care Transition Fund Contribution Agreement" | Health & Wellness |
| September 20, 2002 | **Alberta - Canada**<br>"Lease Agreement for Three Acres of Lands More or Less Situated at the Fort Vermillion Farm" | Infrastructure |
| September 30, 2002 | **Alberta - Republic of Poland**<br>"Reciprocity of Maintenance Enforcement Announcement" | Justice & Attorney General |
| October 1, 2002 | **Alberta - United States**<br>"Reciprocity of Maintenance Enforcement Announcement" | Justice & Attorney General |
| October 1, 2002 | **Alberta - Czech Republic**<br>"Reciprocity of Maintenance Enforcement Announcement" | Justice & Attorney General |
| October 1, 2002 | **Alberta - Slovak Republic**<br>"Reciprocity of Maintenance Enforcement Announcement" | Justice & Attorney General |

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGEN |
|---|---|---|
| October 1, 2002 | **Alberta - Quebec - Transport Canada - U.S. Department of Transportation**<br>"Cooperative Research Project 'North American Fatigue Management Program for Motor Carriers" | Transportation/ WCB |
| October 1, 2002 | **Alberta - British Columbia - Saskatchewan - Manitoba - Northwest Territories - Yukon - Nunavut**<br>"Appendix A to the Western Canadian Protocol for Collaboration in Basic Education" | Learning |
| October 1, 2002 | **Alberta - Canada**<br>"Environment Canada: Evaluate the Effect of Landfarmed Soils" | Alberta Research Council |
| October 8, 2002 | **Alberta - Canada**<br>"Agreement to Cost-Share Development, Execution, and Media Buy for Province-Wide Tobacco Control Social Marketing Media Campaign" | AADAC |
| October 15, 2002 | **Alberta - Canada**<br>"Sustainable Development of Coalbed Methane Phase IV" | Alberta Research Council |
| November 1, 2002 | **Alberta - China**<br>"Memorandum of Understanding Between Alberta Learning and Chinese Education and Training Center on Cooperation and Education" | Learning |
| November 1, 2002 | **Alberta - China**<br>"Letter of Intent Between Alberta Learning and the Education and Training Centre of the Chinese Ministry of Labour and Social Security" | Learning |
| November 1, 2002 | **Alberta - British Columbia - Manitoba - Ontario - Quebec Securities Commissions**<br>"Memorandum of Understanding on Oversight of Exchanges, Quotations, and Trade Tracking Systems" | Alberta Securities Commiss |
| November 1, 2002 | **Alberta - Mexico**<br>"Agreement Between CIAD and the Processing Development Division,Food Processing Development Center" | Agriculture, Food, & Rural Development |
| November 6, 2002 | **Alberta - Canada - Piikani Nation**<br>"Settlement Regarding the Lethbridge North Headwaters System, The Oldman River Dam, and Related Issues" | Aboriginal Affairs & Northern Developm |
| November 18, 2002 | **Alberta - British Columbia - Saskatchewan - Manitoba**<br>"Memorandum of Understanding Respecting the Harmonization of Permit Conditions for the Movement of Bales of Hay Across Manitoba, Saskatchewan, Alberta, and the Peace River Block of British Columbia" | Transportation |
| November 18, 2002 | **Alberta - British Columbia - Saskatchewan - Manitoba**<br>"Memorandum of Understanding on Harmonization of Special Permit Conditions for Oversize / Overweight Indivisible Loads" | Transportation |
| November 18, 2002 | **Alberta - British Columbia - Saskatchewan - Manitoba**<br>"Memorandum of Understanding Respecting the Formation of a Council of Western Provincial Transportation Ministers" | Transportation |
| December 9, 2002 | **Alberta - Canada Security and Intelligence Service**<br>"Security Assessments for Employees of the Province of Alberta" | Solicitor General |
| December 12, 2002 | **Alberta - Germany**<br>"Memorandum of Understanding between the Province of Alberta and the Land of Saxony to Explore Future Cooperation" | International & Intergovernmental Rela |
| January 15, 2003 | **Alberta - Canada - United States**<br>"Canada / United States Reciprocal Forest Fire Arrangement (Operational Guidelines for 2003)" | Sustainable Resource Developm |

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGENCY |
|---|---|---|
| January 23, 2003 | **Alberta - Canada**<br>"Alberta Health and Wellness Adverse Reactions to Blood Products Pilot Project" | Health & Wellness |
| January 27, 2003 | **Alberta - Saskatchewan**<br>"Cost-Sharing Agreement Nuclear Medicine Technology" | Learning |
| January 28, 2003 | **Alberta - Saskatchewan**<br>"Cost-Sharing Agreement on Respiratory Technology" | Learning |
| January 30, 2003 | **Alberta - Canada - Quebec - United States**<br>"Fatigue Management Project" | Transportation |
| February 1, 2003 | **Alberta - Brussels Capital Region**<br>"Memorandum of Understanding on Scientific and Technical Cooperation" | Innovation & Science |
| February 1, 2003 | **Alberta - Belgium**<br>"Drivers License Exchange Agreement" | Government Services |
| February 1, 2003 | **Alberta - New South Wales Department of Education, Australia**<br>"Memorandum of Understanding on Teacher Exchange" | Learning |
| February 1, 2003 | **Alberta - New Zealand Ministry of Education**<br>"Memorandum of Understanding on Teacher Exchange" | Learning |
| February 1, 2003 | **Alberta - Ontario**<br>"Written Communications Test" | Solicitor General |
| February 3, 2003 | **Alberta - Canada**<br>"Pilot Evaluation of Automated Grade Crossing Signal Enforcement" | Transportation |
| February 3, 2003 | **Alberta - Canada**<br>"Revenue Canada: Inkjet Printer Signature Analysis" | Alberta Research Council |
| February 7, 2003 | **Alberta - Finland - PLC/OULU Research Centre of Expertise**<br>"Letter of Intent on Research and Innovation Gateway to Establish Regular Cooperation in Research and Technology Commercialization" | Innovation & Science |
| February 13, 2003 | **Alberta - Canada**<br>"Canadian General Standards Board Certification Program" | Alberta Research Council |
| February 26, 2003 | **Alberta - Canada - Lesser Slave Lake Indian Regional Council**<br>"Canada-Alberta-Lesser Slave Lake Indian Regional Council Child Welfare Agreement" | Children's Services |
| February 28, 2003 | **Alberta - Canada - North Peace Tribal Council**<br>"Canada-Alberta-North Peace Tribal Council Child Welfare Agreement" | Children's Services |
| February 28, 2003 | **Alberta - Canada - Little Red River Cree Nation Child and Family Services Society**<br>"Canada-Alberta-Little Red River Cree Nation Child Welfare Agreement" | Children's Services |
| March 1, 2003 | **Alberta - Gangwon, South Korea - Korean Bureau of Autonomy and Administration**<br>"Agreement for Friendship and Sport Exchange" | Community Development |
| March 3, 2003 | **Alberta - Belgium**<br>"Administrative Arrangement Concerning the Exchange of Driver's Licenses Between the Government of Alberta and Government of Belgium" | Transportation / Innovation & Science |
| March 5, 2003 | **Alberta - Australia**<br>"Memorandum of Understanding on the Queensland Independent Education Union Teacher Exchange Program" | Learning |

| EFFECTIVE DATE | PARTIES / TITLE | ALBERTA MINISTRY / AGENC |
|---|---|---|
| March 3, 2003 | **Alberta - Australia**<br>"Framework for Collaboration Between the Learning Federation of Australia and New Zealand and Alberta Learning" | Learning |
| March 7, 2003 | **Alberta - Canada**<br>"Integrated Pest Management Manual for Defence Construction in Canada" | Alberta Research Council |
| March 10, 2003 | **Alberta - Canada - Criminal Intelligence Service Alberta**<br>"Secondment Agreement" | Justice & Attorney General |
| March 13, 2003 | **Alberta - All Other Provinces (Except Quebec) - Canada**<br>"Federal-Provincial-Territorial Multilateral Framework on Early Learning and Child Care" | Children's Services |
| March 17, 2003 | **Alberta - Canada**<br>"Department of National Defence: Access Agreement Renewal" | Government Services |
| March 21, 2003 | **Alberta - British Columbia - Ontario - Quebec - China Securities Regulatory Commission**<br>"Memorandum of Understanding to Promote Investor Protection and Integrity of Securities and Futures Markets by Providing Framework for Cooperation" | Alberta Securities Commissio |
| March 25, 2003 | **Alberta - Canada**<br>"Historic Places Initiative Agreement:<br>Revision to the Integrated Data Repository to Accommodate the Functional Needs of the 'Canadian Register for Historic Places'" | Community Development |
| March 25, 2003 | **Alberta - Canada**<br>"Agriculture and Agri-Food Canada: Rural Water Development Program" | Agriculture, Food, & Rural Development |
| March 31, 2003 | **Alberta - Canada**<br>"Special Agreement on Investment Measures for Quality Education in the Language of the Minority" | Learning |
| March 31, 2003 | **Alberta - Canada**<br>"Alcohol and Drug Treatment and Rehabilitation Contribution" | AADAC |
| March 31, 2003 | **Alberta - Canada**<br>"Testing of 2006 Diesel and Low Polarity Oxygenate Components" | Alberta Research Council |

## APPENDIX 3 LIST OF ENTITIES' FINANCIAL STATEMENTS IN ANNUAL REPORTS

| MINISTRY / DEPARTMENT / FUND / AGENCY | MINISTRY ANNUAL REPORT |
|---|---|
| Agriculture Financial Services Corporation | Agriculture, Food, and Rural Development |
| Alberta Alcohol and Drug Abuse Commission | Health and Wellness |
| Alberta Energy and Utilities Board | Energy |
| Alberta Foundation for the Arts | Community Development |
| Alberta Gaming and Liquor Commission | Gaming |
| Alberta Government Telephones Commission, The | Finance |
| Alberta Heritage Foundation for the Medical Research Endowment Fund | Revenue |
| Alberta Heritage Savings Trust Fund | Revenue |
| Alberta Heritage Scholarship Fund | Revenue |
| Alberta Heritage Science and Engineering Research Endowment Fund | Revenue |
| Alberta Historical Resources Foundation, The | Community Development |
| Alberta Insurance Council | Finance |
| Alberta Municipal Financing Corporation | Finance |
| Alberta Pensions Administration Corporation | Finance |
| Alberta Petroleum Marketing Commission | Energy |
| Alberta Research Council Inc. | Innovation and Science |
| Alberta Risk Management Fund | Revenue |
| Alberta School Foundation Fund | Learning |
| Alberta Science and Research Authority | Innovation and Science |
| Alberta Securities Commission | Revenue |
| Alberta Social Housing Corporation | Seniors |
| Alberta Sport, Recreation, Parks, and Wildlife Foundation | Community Development |
| Alberta Treasury Branches | Finance |
| ATB Investment Services Inc. | Finance |
| Child and Family Services Authorities: | Children's Services |
| Awasak Child and Family Services Authority | |
| Calgary Rocky View Child and Family Services Authority | |
| Child and Family Services Authority Region 13 | |
| Child and Family Services Authority Region 14 | |
| Diamond Willow Child and Family Services Authority | |
| Hearthstone Child and Family Services Authority | |
| Keystone Child and Family Services Authority | |
| Ma'Mowe Capital Region Child and Family Services Authority | |
| Metis Settlements Child and Family Services Authority | |
| Neegan Awas'sak Child and Family Services Authority | |
| Ribstone Child and Family Services Authority | |
| Sakaigun Asky Child and Family Services Authority | |
| Sakaw-Askiy Child and Family Services Authority | |
| Silver Birch Child and Family Services Authority | |
| Southeast Child and Family Services Authority | |
| Sun Country Child and Family Services Authority | |
| West Yellowhead Child and Family Services Authority | |
| Windsong Child and Family Services Authority | |
| Credit Union Deposit Guarantee Corporation | Finance |
| Crop Reinsurance Fund of Alberta | Agriculture, Food, and Rural Development |
| Department of Agriculture, Food, and Rural Development | Agriculture, Food, and Rural Development |
| Department of Children's Services | Children's Services |
| Department of Community Development | Community Development |
| Department of Energy | Energy |

| MINISTRY / DEPARTMENT / FUND / AGENCY | MINISTRY ANNUAL REPORT |
|---|---|
| Department of Finance | Finance |
| Department of Gaming | Gaming |
| Department of Health and Wellness | Health and Wellness |
| Department of Innovation and Science | Innovation and Science |
| Department of Learning | Learning |
| Department of Revenue | Revenue |
| Department of Seniors | Seniors |
| Department of Solicitor General | Solicitor General |
| Department of Sustainable Resource Development | Sustainable Resource Development |
| Environmental Protection and Enhancement Fund | Sustainable Resource Development |
| Gainers Inc. | Finance |
| Government House Foundation, The | Community Development |
| Historic Resources Fund | Community Development |
| Human Rights, Citizenship, and Multiculturalism Education Fund | Community Development |
| iCORE Inc. | Innovation and Science |
| Lottery Fund | Gaming |
| Ministry of Aboriginal Affairs and Northern Development[1] | Aboriginal Affairs and Northern Development |
| Ministry of Agriculture, Food, and Rural Development | Agriculture, Food, and Rural Development |
| Ministry of Children's Services | Children's Services |
| Ministry of Community Development | Community Development |
| Ministry of Economic Development[1] | Economic Development |
| Ministry of Energy | Energy |
| Ministry of Environment[1] | Environment |
| Ministry of Finance | Finance |
| Ministry of Executive Council[1] | Executive Council |
| Ministry of Gaming | Gaming |
| Ministry of Government Services[1] | Government Services |
| Ministry of Health and Wellness | Health and Wellness |
| Ministry of Human Resources and Employment[1] | Human resources and Employment |
| Ministry of Infrastructure[1] | Infrastructure |
| Ministry of Innovation and Science | Innovation and Science |
| Ministry of International and Intergovernmental Relations[1] | International and Intergovernmental Relations |
| Ministry of Justice | Justice |
| Ministry of Learning | Learning |
| Ministry of Municipal Affairs[1] | Municipal Affairs |
| Ministry of Revenue | Revenue |
| Ministry of Seniors | Seniors |
| Ministry of Solicitor General | Solicitor General |
| Ministry of Sustainable Resource Development | Sustainable Resource Development |
| Ministry of Transportation[1] | Transportation |
| N.A. Properties (1994) Ltd. | Finance |
| Natural Resources Conservation Board | Sustainable Resource Development |
| Persons with Developmental Disabilities Community Boards: | Community Development |
| Calgary Region Community Board | |
| Central Region Community Board | |
| Edmonton Region Community Board | |
| Michener Centre Facility Board[2] | |
| Northeast Region Community Board | |
| Northwest Region Community Board | |
| Provincial Board | |
| South Region Community Board | |

*(1) Ministry includes only the department so separate department financial statements are not necessary.*

*(2) Dissolved July 23, 2002*

| MINISTRY / DEPARTMENT / FUND / AGENCY | MINISTRY ANNUAL REPORT |
|---|---|
| Provincial Judges and Masters in Chambers Reserve Fund | Finance |
| Supplementary Retirement Plan Reserve Fund | Finance |
| Victims of Crime Fund | Solicitor General |
| Wild Rose Foundation, The | Community Development |

**ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY**

| | |
|---|---|
| Alberta Cancer Board | Health and Wellness |
| Alberta Foundation for Health Research | Innovation and Science |
| Alberta Heritage Foundation for Medical Research | Innovation and Science |
| Alberta Heritage Foundation for Science and Engineering Research | Innovation and Science |
| Alberta Mental Health Board | Health and Wellness |
| Alberta Teachers' Retirement Fund Board | Learning |
| Improvement Districts' Trust Account | Municipal Affairs |
| Local Authorities Pension Plan | Finance |
| Long-Term Disability Income Continuance Plan - Bargaining Unit | Human Resources and Employment |
| Long-Term Disability Income Continuance Plan - Management, Opted Out, and Excluded | Human Resources and Employment |
| Management Employees Pension Plan | Finance |
| Provincial Judges and Masters in Chambers Pension Plan | Finance |
| Public Post Secondary Institutions | Learning |
| Public Service Management (Closed Membership) Pension Plan | Finance |
| Public Service Pension Plan | Finance |
| Regional Health Authorities | Health and Wellness |
| School Boards | Learning |
| Special Areas Trust Account, The | Municipal Affairs |
| Special Forces Pension Plan | Finance |
| Supplementary Retirement Plan for Provincial Judges and Masters in Chambers | Finance |
| Supplementary Retirement Plan for Public Service Managers | Finance |
| Workers' Compensation Board | Human Resources and Employment |

*1) Ministry includes only the department so separate department financial statements are not necessary.*

*2) Dissolved July 23, 2002*

ALBERTA INTERNATIONAL AND INTERGOVERNMENTAL RELATIONS



# 30TH ANNUAL REPORT

APRIL 1, 2002 – MARCH 31, 2003

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